

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Richmond Division**

ePLUS, INC.,)	
)	
Plaintiff,)	Civil Action No. 3:09-CV-620 (REP)
)	
v.)	
)	
LAWSON SOFTWARE, INC.,)	
)	
)	
Defendant.)	

**PLAINTIFF ePLUS INC’S OBJECTIONS TO DEFENDANT’S COUNTER
DEPOSITION DESIGNATIONS, COUNTER-COUNTER DESIGNATIONS AND
REVISED SUMMARY OF THE DEPOSITION OF JEFF FRANK**

Plaintiff, ePlus, Inc. (“ePlus”), through counsel, hereby submits the following specific objections to Defendant Lawson Software, Inc. (“Lawson”)’s Counter-Deposition Designations of the deposition of Hannah Raleigh and offers the following counter-counter designations and revised summary:

Specific Objections

Defendant’s Counter Designations	ePlus’s Objections to Defendant’s Counter Designations	ePlus’s Counter-Counter Designations
30:11-13		30:14 – 31:2
39:15-16		
43:20 – 44:11	602	
45:15-17		

Revised Summary

At the time of his deposition, Mr. Frank was the Vice President of Marketing for Lawson Software. (11:12-14) As Vice President of Marketing, Mr. Frank's duties include overseeing all aspects of Lawson's North American marketing. (17:2-9) Lawson promotes its e-procurement software products through a wide variety of activities including direct marketing, trade shows, advertising and e-mail marketing, direct mail and webinar events. (17:10-18:16; 48:7-17)

One of Lawson's goals in developing its software products is to make the electronic procurement process more efficient, thereby saving its customers money. (55:21-56:2) Mr. Frank further testified that Lawson's eProcurement solution includes requisition, purchase order and catalogue punchout modules. (56:6-57:3; 64:12-65:20) Lawson's supply chain management software includes a requisition self service solution that allows customers to move the requisition process outside the purchasing department and put the power of requisitions in the hands of the individual departments and users and the ability to launch purchase orders automatically from requisitions. (125:20 – 126:16; 127:11-20) With its procurement punchout feature, Lawson has already pre-built the capability for its customers to integrate with a large universe of individual trading partners and digital marketplaces. (123:5-124:5)

All external materials, such as responses to requests for proposals and collateral materials such as brochures are reviewed by the legal department to ensure that Lawson is presenting accurate information in the most positive form, that nothing misleading is being presented to the customer and that the communication is presented in a form people can understand. (39:10-41:4; 48:18-49:20; 53:5-13)

The marketing group at Lawson is responsible for the content on Lawson's website (www.lawson.com). (31:3-13) Before content can be approved for placement on Lawson's website, that content must be reviewed by the product management organization and reviewed by the Lawson legal department to ensure that the content is accurate. (31:14:33:3) Among the items on Lawson's website is a 2001 white paper discussing the comparative benefits of electronic procurement as compared to traditional procurement. (147:9-148:18; 149:11-151:13)

Lawson distributes a demonstration laptop to potential customers to show how Lawson's products work. (74:22-75:15) Lawson's intention is to distribute a demonstration product that accurately depicts the features and functionalities of its M3 and S3 products. (75:16-76:14; 77:5-9) He understands that Lawson's primary competitors include SAP and Ariba. (29:11-15; 30:7-10; 164:10-170:2) Mr. Frank testified that he had not heard of ePlus prior to its initiation of this suit. (30:11-13)

Mr. Frank further understands that Lawson derives revenue from several sources including licensing fees, maintenance fees, service fees and contracting. (88:6-91:18) Lawson obtains license fees by selling its products to its customers. (114:20-115:2) Maintenance fees are associated with support and ongoing development and service fees include training and consulting fees. (115:3-117:17)

The sales operations group at Lawson is responsible for conducting competitive research.¹ (30:14 – 31:2) Lawson conducts market research for business opportunities within business sectors that it is interested in. (44:2-5) Mr. Frank testified that Lawson subscribes to and reviews industry analyst reports from several entities including Gartner Group, Forrester and Aberdeen. (44:6-16) Mr. Frank considers publications from the Gartner Group to be the most reliable of the industry publications. (44:17-45:11; 85:1-10) Members of Lawson’s marketing department subscribe to these industry reports. (45:12-14) At the time of his deposition, Lawson had stopped using Aberdeen industry reports. (45:15-17)

¹ Lawson asks that the sentence “Lawson does not do any competitive research” be added here (citing 43:20-44:1). ePlus objects to Lawson’s counter-designation on foundation grounds and, therefore, objects to this proposed insertion into the summary.

Respectfully submitted,

/s/

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Attorneys for Plaintiff, ePlus Inc.

Dated: August 11, 2010

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<p>1 IN THE UNITED STATES DISTRICT COURT</p> <p>2 FOR THE EASTERN DISTRICT OF VIRGINIA</p> <p>3 Norfolk Division</p> <p>4 -----x</p> <p>5 ePLUS iNC.,)</p> <p>6 Plaintiff,) Civil Action No.</p> <p>7 v.) 2:09-CV-232-HCM-TEM,</p> <p>8 LAWSON SOFTWARE, INC.,)</p> <p>9 Defendant.)</p> <p>10 -----x</p> <p>11</p> <p>12 CONFIDENTIAL</p> <p>13</p> <p>14 Videotaped Deposition of JEFF FRANK</p> <p>15 Washington, D.C.</p> <p>16 Friday, October 9, 2009</p> <p>17 9:40 a.m.</p> <p>18</p> <p>19</p> <p>20 Job No.: 1-165214</p> <p>21 Pages: 1 - 255</p> <p>22 Reported By: Lee Bursten</p>	<p>1 A P P E A R A N C E S</p> <p>2 ON BEHALF OF PLAINTIFF:</p> <p>3 SCOTT L. ROBERTSON, ESQUIRE</p> <p>4 JENNIFER A. ALBERT, ESQUIRE</p> <p>5 Goodwin Procter LLP</p> <p>6 901 New York Avenue, Northwest</p> <p>7 Washington, D.C. 20001</p> <p>8 Telephone: (202) 346-4000</p> <p>9</p> <p>10</p> <p>11</p> <p>12 ON BEHALF OF DEFENDANT:</p> <p>13 WILLIAM D. SCHULTZ, ESQUIRE</p> <p>14 Merchant & Gould PC</p> <p>15 3200 IDS Center</p> <p>16 80 South Eighth Street</p> <p>17 Minneapolis, Minnesota 55402</p> <p>18 Telephone: (612) 332-5300</p> <p>19</p> <p>20</p> <p>21 ALSO PRESENT:</p> <p>22 ANTONIO TROPEANO, Videographer</p>
<p>1 Videotaped Deposition of JEFF FRANK, held</p> <p>2 at the offices of:</p> <p>3 Goodwin Procter LLP</p> <p>4 901 New York Avenue, Northwest</p> <p>5 Washington, D.C. 20001</p> <p>6 (202) 346-4000</p> <p>7</p> <p>8</p> <p>9</p> <p>10 Pursuant to notice, before Lee Bursten,</p> <p>11 Court Reporter and Notary Public in and for the</p> <p>12 District of Columbia, who officiated in</p> <p>13 administering the oath to the witness.</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p>	<p>1 C O N T E N T S</p> <p>2 EXAMINATION OF JEFF FRANK PAGE</p> <p>3 By Mr. Robertson 9</p> <p>4 By Mr. Schultz 244</p> <p>5 By Mr. Robertson 246</p> <p>6</p> <p>7</p> <p>8 E X H I B I T S</p> <p>9 (Attached to transcript.)</p> <p>10 FRANK DEPOSITION EXHIBITS PAGE</p> <p>11 Exhibit 1 Lawson Marketing & Organization 66</p> <p>12 Exhibit 2 FY08-FY10 Business Plan 81</p> <p>13 Exhibit 3 CEO Weekly Executive Meeting, 102</p> <p>14 Tuesday, May 05, 2009</p> <p>15 Exhibit 4 Indirect Purchasing - A 109</p> <p>16 Competitive Advantage?</p> <p>17 Exhibit 5 Procurement 113</p> <p>18 Exhibit 6 Requisitions 121</p> <p>19 Exhibit 7 Procurement Punchout 122</p> <p>20 Exhibit 8 Purchase Order 124</p> <p>21 Exhibit 9 Requisitions Self Service 126</p> <p>22</p>

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<p>5</p> <p>1 EXHIBITS CONTINUED</p> <p>2 FRANK DEPOSITION EXHIBITS PAGE</p> <p>3 Exhibit 10 Americas Marketing Organization 128</p> <p>4 - FY09</p> <p>5 Exhibit 11 Purchase Order: Streamlining 131</p> <p>6 the Purchasing Process</p> <p>7 Exhibit 12 Using Lawson Procurement 133</p> <p>8 Punchout with External Vendors</p> <p>9 Exhibit 13 Lawson S3 Requisitions 139</p> <p>10 Self-Service Overview</p> <p>11 Exhibit 14 Supply Chain Management 143</p> <p>12 Exhibit 15 e-Procurement: Revolutionizing 147</p> <p>13 the Healthcare Supply Chain</p> <p>14 Exhibit 16 Lawson M3 e-Procurement 153</p> <p>15 Exhibit 17 Welcome to the Lawson Web 157</p> <p>16 Requisition: A Guide for the</p> <p>17 Beginning Requester</p> <p>18 Exhibit 18 About Lawson 160</p> <p>19 Exhibit 19 Strategy Review 161</p> <p>20 Exhibit 20 Lawson Opportunity 168</p> <p>21</p> <p>22</p>	<p>7</p> <p>1 EXHIBITS CONTINUED</p> <p>2 FRANK DEPOSITION EXHIBITS PAGE</p> <p>3 Exhibit 32 List of customer IDs, names, 218</p> <p>4 addresses, and SKU numbers</p> <p>5 Exhibit 33 LPD Kickoff - M&D June 2009 220</p> <p>6 Exhibit 34 Marketing Strategy and 222</p> <p>7 Alignment</p> <p>8 Exhibit 35 Lawson S3 Customer Marketing 223</p> <p>9 Campaign</p> <p>10 Exhibit 36 11/08/2005 e-mail from 227</p> <p>11 Griffith to Haithcox</p> <p>12 Exhibit 37 VIP Promotion as of 5/7/2009 233</p> <p>13 Exhibit 38 Quarterly Rolling Focus Market 241</p> <p>14 Plan, Public Sector - Americas</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p>
<p>6</p> <p>1 EXHIBITS CONTINUED</p> <p>2 FRANK DEPOSITION EXHIBITS PAGE</p> <p>3 Exhibit 21 News: Lawson Software Partners 172</p> <p>4 with Global Healthcare Exchange</p> <p>5 Exhibit 22 S3 Applications Portfolio 173</p> <p>6 Exhibit 23 Marketing Overview 180</p> <p>7 Exhibit 24 Lawson Products: What's Next 188</p> <p>8 Exhibit 25 Mainstreaming LPS/LGS Marketing 193</p> <p>9 Exhibit 26 S3 Supply Chain Mgmt Launch 196</p> <p>10 Kick-off</p> <p>11 Exhibit 27 General LPD Guidance on RFP 198</p> <p>12 Engagement</p> <p>13 Exhibit 28 Response to Request for 201</p> <p>14 Proposal: CML Healthcare</p> <p>15 Exhibit 29 Lawson Supplier Relationship 206</p> <p>16 Management Briefing</p> <p>17 Exhibit 30 Fourth Quarter Report Fiscal 207</p> <p>18 2008</p> <p>19 Exhibit 31 Battle Card: Lawson M3 213</p> <p>20 e-Procurement, September 2007</p> <p>21</p> <p>22</p>	<p>8</p> <p>1 PROCEEDINGS</p> <p>2 THE VIDEOGRAPHER: Here begins videotape</p> <p>3 number 1 in the deposition of Jeff Frank in the</p> <p>4 matter of ePlus inc. versus Lawson Software Inc.,</p> <p>5 in the United States District Court for the Eastern</p> <p>6 District of Virginia, Norfolk Division, Civil</p> <p>7 Action Number 2:09-CV-232-HCM-TEM.,</p> <p>8 Today's date is October 9th, 2009. The</p> <p>9 time on the video monitor is 9:40 a.m. The video</p> <p>10 operator today is Antonio Tropeano of Merrill LAD.</p> <p>11 This video deposition is taking place at Goodwin</p> <p>12 Procter, 901 New York Avenue, Northwest,</p> <p>13 Washington, D.C., 20001.</p> <p>14 Counsel, please voice identify yourselves</p> <p>15 and state whom you represent.</p> <p>16 MR. ROBERTSON: My name is Scott</p> <p>17 Robertson from Goodwin Procter, and I represent the</p> <p>18 plaintiff, ePlus inc.</p> <p>19 MR. SCHULTZ: My name is William Schultz</p> <p>20 from Merchant & Gould, and I represent Lawson</p> <p>21 Software Inc.</p> <p>22 THE VIDEOGRAPHER: The court reporter</p>

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<p>9</p> <p>1 today is Lee Bursten of Merrill LAD. Would the</p> <p>2 reporter please swear in the witness.</p> <p>3 JEFF FRANK</p> <p>4 having been duly sworn, testified as follows:</p> <p>5 EXAMINATION BY COUNSEL FOR PLAINTIFF</p> <p>6 BY MR. ROBERTSON:</p> <p>7 Q Good morning, Mr. Frank.</p> <p>8 A Good morning.</p> <p>9 Q Thank you for your patience as we were</p> <p>10 setting up there. Can you just state your full</p> <p>11 name for the record, sir.</p> <p>12 A Jeffrey Paul Frank.</p> <p>13 Q And who are you currently employed by,</p> <p>14 Mr. Frank?</p> <p>15 A Lawson Software.</p> <p>16 Q Can you give me your work address, sir?</p> <p>17 A That's a great -- 300 Saint Peter Street,</p> <p>18 St. Paul, Minnesota.</p> <p>19 Q And how about your home address?</p> <p>20 A 13949 Dublin Road, Apple Valley,</p> <p>21 Minnesota, 55124.</p> <p>22 Q Have you ever had your deposition taken</p>	<p>11</p> <p>1 object to the form of one of my questions, or</p> <p>2 perhaps he may even instruct you not to answer if</p> <p>3 he feels it implicates an attorney-client</p> <p>4 privilege. With the exception of an instruction</p> <p>5 not to answer, you can go ahead and answer my</p> <p>6 questions, notwithstanding his objection. Do you</p> <p>7 understand that?</p> <p>8 A Yes.</p> <p>9 Q Any other questions you have about the</p> <p>10 process?</p> <p>11 A No.</p> <p>12 Q Why don't we start with, what's your job</p> <p>13 title at Lawson Software?</p> <p>14 A Vice president of marketing.</p> <p>15 Q How long have you held that position,</p> <p>16 sir?</p> <p>17 A Approximately three years. A little over</p> <p>18 three years.</p> <p>19 Q How long have you been employed by Lawson</p> <p>20 Software?</p> <p>21 A It will be seven years on January 2nd of</p> <p>22 2010.</p>
<p>10</p> <p>1 before, sir?</p> <p>2 A I have not.</p> <p>3 Q Has the process been explained to you by</p> <p>4 your attorney?</p> <p>5 A Yes.</p> <p>6 Q Just to go over a few things, I'll be</p> <p>7 asking a series of questions this morning. And</p> <p>8 I'll be referring to a number of documents that</p> <p>9 we're going to mark as exhibits, and I'll be asking</p> <p>10 about those as well. If at any time you don't</p> <p>11 understand my question or it's confusing to you,</p> <p>12 just let me know and I'll try to restate it for</p> <p>13 you. Is that fine?</p> <p>14 A Yes.</p> <p>15 Q The only thing you need to do, so far</p> <p>16 you're doing it quite well, you need to give verbal</p> <p>17 answers to the questions instead of an mm-hmm or an</p> <p>18 uh-uh, which doesn't show up in the transcript too</p> <p>19 well, or just a nod of the head, which doesn't show</p> <p>20 up at all. You can do that for me, correct?</p> <p>21 A Yes.</p> <p>22 Q From time to time your attorney may</p>	<p>12</p> <p>1 Q Prior to your position as the VP of</p> <p>2 marketing that you achieved three years ago, what</p> <p>3 was your position at Lawson?</p> <p>4 A Director of industry marketing.</p> <p>5 Q Could you sum up for me in a sentence or</p> <p>6 two how your responsibilities changed from the</p> <p>7 director of industry marketing to the VP of</p> <p>8 marketing?</p> <p>9 A Scope of responsibilities, primarily. It</p> <p>10 expanded to all of the Americas, primary focus</p> <p>11 being North America, as well as taking on some</p> <p>12 additional responsibilities for areas such as media</p> <p>13 relations, telemarketing, just to name a few.</p> <p>14 Q How about the scope of the products</p> <p>15 involved, did that change at all?</p> <p>16 A Yes, it did.</p> <p>17 Q In what way, sir?</p> <p>18 A My promotion was shortly after the merger</p> <p>19 between Lawson and Intenia. So with that there</p> <p>20 were additional product lines that were being sold</p> <p>21 in the United States or in the Americas.</p> <p>22 Q Intenia, that's a company that was</p>

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<p>1 founded in Sweden?</p> <p>2 A Correct.</p> <p>3 Q That acquisition -- I'm sorry, was it a</p> <p>4 merger or acquisition?</p> <p>5 A Technically it was an acquisition, but we</p> <p>6 tend to call it a merger.</p> <p>7 Q And that occurred in 2006?</p> <p>8 A Correct, closed in May of 2006.</p> <p>9 Q I'm sorry. Can you pronounce the name</p> <p>10 for me?</p> <p>11 A Intentia.</p> <p>12 Q In what way did the merger with Intentia</p> <p>13 change the nature of the scope of the products you</p> <p>14 had responsibility for when you were promoted to VP</p> <p>15 in marketing?</p> <p>16 A Intentia's primary focus was on</p> <p>17 enterprise resource planning products for</p> <p>18 manufacturing and distribution industries, which</p> <p>19 was an area that Lawson had not focused on</p> <p>20 previously.</p> <p>21 Q You used a couple of terms there, I would</p> <p>22 like to go through what your understanding is of</p>	<p>1 A Yes.</p> <p>2 Q Was S3 a product that Lawson had as one</p> <p>3 of its suite of ERP software products prior to the</p> <p>4 merger with Intentia?</p> <p>5 A Yes.</p> <p>6 Q When you rebranded the -- is it Mavex?</p> <p>7 A Movex, M-O-V-E-X.</p> <p>8 Q -- Movex product to M3, was it just a</p> <p>9 rebrand, or did Lawson actually write new code for</p> <p>10 the functionality of the M3?</p> <p>11 A It was a branding change. But to the</p> <p>12 best of my knowledge there was also some changes</p> <p>13 made to the product to create better integration</p> <p>14 with our S3 product line.</p> <p>15 Q We'll go through some of the documents</p> <p>16 that refer to M3 and S3 in a moment. But at a high</p> <p>17 level, can you tell me, other than the fact that</p> <p>18 the M3 product focuses on manufacturing and</p> <p>19 distribution, and I understand the S3 product</p> <p>20 focuses more on service type of business sectors,</p> <p>21 is there a difference in your mind as to the</p> <p>22 functionality of what those ERP software solutions</p>
<p>1 those terms. You said "enterprise resource</p> <p>2 planning." Can you give me a definition for what</p> <p>3 you understand that to mean in the context of</p> <p>4 Lawson's business operations?</p> <p>5 A Broadly speaking it is the business</p> <p>6 application software companies use to run their</p> <p>7 business. So it involves human resources,</p> <p>8 financials, supply chain management, to name a few</p> <p>9 areas.</p> <p>10 Q And you said that the product that you</p> <p>11 took responsibility for in January of 2010 after</p> <p>12 the merger involved manufacturing and distribution</p> <p>13 ERPs; is that right?</p> <p>14 A That is correct.</p> <p>15 Q Did that product have a name at Intentia?</p> <p>16 A Movex was the product line name at</p> <p>17 Intentia.</p> <p>18 Q Was it rebranded after the merger to be</p> <p>19 called M3?</p> <p>20 A That's correct.</p> <p>21 Q And you're also familiar with a product</p> <p>22 known as S3 at Lawson Software, correct?</p>	<p>1 provide?</p> <p>2 A There is certainly -- yes.</p> <p>3 Q Can you identify some of the differences</p> <p>4 between M3 and S3 as far as how their functionality</p> <p>5 performs?</p> <p>6 A Certainly. The largest difference would</p> <p>7 be in terms of the supply chain area. There are</p> <p>8 functionality [sic] required in manufacturing and</p> <p>9 distribution organizations that is not required for</p> <p>10 services organizations.</p> <p>11 Q Can you give me a for instance?</p> <p>12 A Scheduling, manufacturing orders, just by</p> <p>13 the fact that the nature of manufacturers need that</p> <p>14 functionality. It's not needed, for example, in a</p> <p>15 healthcare organization. They don't manufacture</p> <p>16 anything.</p> <p>17 Q And healthcare you would put into the</p> <p>18 services sector?</p> <p>19 A Correct.</p> <p>20 Q Healthcare servicing sector is a big</p> <p>21 aspect of Lawson's ERP business, isn't that fair to</p> <p>22 say?</p>

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<p>17</p> <p>1 A Yes.</p> <p>2 Q Let's go back to your job</p> <p>3 responsibilities and duties as the vice president</p> <p>4 of marketing at Lawson. Can you give me a high</p> <p>5 level overview of what those entail?</p> <p>6 A My overall focus is oversight for</p> <p>7 Americas marketing, with the primary emphasis being</p> <p>8 on North America. And that includes really all</p> <p>9 aspects of our marketing activities.</p> <p>10 Q What kind of marketing activities are you</p> <p>11 involved in in the Americas?</p> <p>12 A Our primary focus, our primary</p> <p>13 go-to-market approach is via industries. So it is</p> <p>14 our marketing activities from lead generation to</p> <p>15 brand building evidence in our target markets or</p> <p>16 industries.</p> <p>17 Q And how do you go about doing that to</p> <p>18 those industry sectors?</p> <p>19 A We have teams that are organized,</p> <p>20 marketing teams that are organized around those</p> <p>21 industries.</p> <p>22 Q And how do they reach out to those</p>	<p>19</p> <p>1 Q And the industries that would fall under</p> <p>2 the M3 product would involve, among others I've</p> <p>3 seen, fashion industry?</p> <p>4 A Correct.</p> <p>5 Q Food industry?</p> <p>6 A Food and beverage.</p> <p>7 Q Food and beverage. And what other types?</p> <p>8 A Equipment service management and rental;</p> <p>9 and manufacturing and distribution, which is kind</p> <p>10 of a catchall group.</p> <p>11 Q Can you give me some examples of</p> <p>12 customers that Lawson has for its M3 ERP solution</p> <p>13 in the food industry, please.</p> <p>14 A In the food industry, a few examples</p> <p>15 would be Smithfield Beef, Jelly Belly, just to name</p> <p>16 a few.</p> <p>17 Q How about in the equipment service</p> <p>18 management and rental industry?</p> <p>19 A Examples would be Wheeler Caterpillar,</p> <p>20 Wagner Caterpillar, Finney, Zeppelin Caterpillar.</p> <p>21 Q And how about in the fashion industry?</p> <p>22 A Fashion industry, some examples would be</p>
<p>18</p> <p>1 industries to promote Lawson's software ERP</p> <p>2 solutions?</p> <p>3 A Through a wide variety of activities</p> <p>4 ranging from direct marketing to events, trade</p> <p>5 shows, electronic marketing, just to name a few</p> <p>6 examples.</p> <p>7 Q How about advertisement?</p> <p>8 A Very limited advertising.</p> <p>9 Q Would advertising fall within your</p> <p>10 responsibilities?</p> <p>11 A Yes.</p> <p>12 Q Trade shows. What kind of trade shows</p> <p>13 are involved?</p> <p>14 A Generally speaking, industry focus trade</p> <p>15 shows. So they will vary by our industries or</p> <p>16 business units.</p> <p>17 Q I'll get to a document in a minute, but</p> <p>18 refresh me. M3, there is a little slogan you have</p> <p>19 about "Make" --</p> <p>20 A "Make, move, maintain."</p> <p>21 Q And S3 has --</p> <p>22 A "Source, staff, serve."</p>	<p>20</p> <p>1 Acushnet. That's the one that pops into my head.</p> <p>2 Q Acushnet, that's the golf manufacturer?</p> <p>3 A Yes, it owns Titleist brand, FootJoy.</p> <p>4 Q And how about for the S3 product sector?</p> <p>5 We already mentioned healthcare.</p> <p>6 A Correct.</p> <p>7 Q What other types of service industries is</p> <p>8 the S3 ERP software solution marketed to?</p> <p>9 A Public sector, an area that we call</p> <p>10 service industry, which is again kind of a catchall</p> <p>11 group. And then also strategic human capital</p> <p>12 management.</p> <p>13 Q Give me some examples of the public</p> <p>14 sector industry that you would market to, this S3</p> <p>15 product, please.</p> <p>16 A Examples of customers?</p> <p>17 Q Yes.</p> <p>18 A Sure. Example of customers for public</p> <p>19 sector include State of Michigan; Buncombe County,</p> <p>20 North Carolina; City of Greensboro, North Carolina,</p> <p>21 to name a few.</p> <p>22 Q And how about the strategic human capital</p>

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<p>21</p> <p>1 management, can you give me some examples of</p> <p>2 businesses that Lawson has marketed its S3 ERP</p> <p>3 solution to?</p> <p>4 A McDonald's, Wal-Mart, to name a few.</p> <p>5 Q Are all these customers you've named</p> <p>6 currently or presently customers of Lawson?</p> <p>7 A Yes.</p> <p>8 Q In your duties and responsibilities as</p> <p>9 the VP of marketing, do you interact at all with</p> <p>10 the sales division of Lawson?</p> <p>11 A Yes.</p> <p>12 Q Who is the principal person that you</p> <p>13 interact with on a daily basis in the sales</p> <p>14 division?</p> <p>15 A It varies by business unit. We're</p> <p>16 organized around business units.</p> <p>17 Q And again, would those business units</p> <p>18 fall along the lines we've been discussing here as</p> <p>19 the various industry sectors?</p> <p>20 A That's correct.</p> <p>21 Q Is there somebody who is the overall head</p> <p>22 of the sales division?</p>	<p>23</p> <p>1 companies -- the divisions the company is organized</p> <p>2 in, if we can. We mentioned sales, we mentioned</p> <p>3 marketing. Is there an R&D group?</p> <p>4 A Yes.</p> <p>5 Q Where is the R&D group principally</p> <p>6 located in the United States?</p> <p>7 A In St. Paul.</p> <p>8 Q And is there an R&D group somewhere</p> <p>9 located outside the United States?</p> <p>10 A Yes.</p> <p>11 Q And where would that be?</p> <p>12 A We have R&D operations in Sweden as well</p> <p>13 as in our Manila office in the Philippines.</p> <p>14 Q Do you know where the M3 product was</p> <p>15 developed for sale by Lawson, the location?</p> <p>16 A Not the exact location, no.</p> <p>17 Q Was it in the United States or outside</p> <p>18 the United States?</p> <p>19 A Originally developed outside the United</p> <p>20 States.</p> <p>21 Q How about S3?</p> <p>22 A Primarily in the United States.</p>
<p>22</p> <p>1 A There is typically a vice president or</p> <p>2 director of sales. But a head of sales, yes.</p> <p>3 Q Would he be the counterpart for sales to</p> <p>4 you as head of the marketing group?</p> <p>5 A No.</p> <p>6 Q The marketing group that you head up is</p> <p>7 only for the Americas, I think you indicated,</p> <p>8 right?</p> <p>9 A I do have a few people outside the United</p> <p>10 States in the area of media relations.</p> <p>11 Q Who is your direct contact as your</p> <p>12 supervisor in the marketing group?</p> <p>13 A Travis White, who is Lawson's senior vice</p> <p>14 president of marketing.</p> <p>15 Q And is Mr. White in the Minneapolis</p> <p>16 office?</p> <p>17 A He is not.</p> <p>18 Q Is he in Europe?</p> <p>19 A He is based in our Stockholm office.</p> <p>20 Q Was he originally an Intentiona employee?</p> <p>21 A No.</p> <p>22 Q Let's just talk briefly about how the</p>	<p>24</p> <p>1 Q When you say M3 was primarily outside the</p> <p>2 United States, was that because it was the Movex</p> <p>3 product which was the predecessor prior to the</p> <p>4 rebrand to M3?</p> <p>5 A Correct.</p> <p>6 Q Let me restate that question, because it</p> <p>7 was confusing. When you indicated that the M3</p> <p>8 product was designed principally outside of the</p> <p>9 United States, was that because it is a successor</p> <p>10 to the Movex product which was developed in Sweden?</p> <p>11 A That's correct.</p> <p>12 Q The S3 product, was that developed</p> <p>13 primarily within the United States?</p> <p>14 A Yes.</p> <p>15 Q How large is your United States marketing</p> <p>16 group?</p> <p>17 A Approximately 40 staff.</p> <p>18 Q And all those approximately 40</p> <p>19 individuals work for you within the United States?</p> <p>20 A No, not all of them.</p> <p>21 Q Okay. Can you give me the breakdown?</p> <p>22 Who do some of them work for, if not you?</p>

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<p>25</p> <p>1 A Roughly 25 report either directly or</p> <p>2 indirectly in to me. And there are others that</p> <p>3 report up to other vice presidents within the</p> <p>4 marketing organization.</p> <p>5 Q You may have mentioned this, I just</p> <p>6 forget. Did you say you directly report to</p> <p>7 Mr. Travis?</p> <p>8 A That's correct.</p> <p>9 Q You have organizational charts, do you</p> <p>10 not, for your marketing group; is that right?</p> <p>11 A We do.</p> <p>12 Q Is the marketing approach that Lawson</p> <p>13 takes a regional approach or more of a global</p> <p>14 approach?</p> <p>15 A I would say neither.</p> <p>16 Q Why is that?</p> <p>17 A The marketing approach that we take is</p> <p>18 now more of a business unit approach. So it's by</p> <p>19 industry.</p> <p>20 Q And those business units transcend</p> <p>21 boundaries, geographic boundaries, correct?</p> <p>22 A That's correct.</p>	<p>27</p> <p>1 Q Just briefly, can you give me your</p> <p>2 educational background starting after high school?</p> <p>3 A I have an undergraduate degree in</p> <p>4 business from St. Cloud State University in</p> <p>5 Minnesota, as well as an MBA from St. Cloud State</p> <p>6 University.</p> <p>7 Q And when did you graduate from</p> <p>8 undergraduate?</p> <p>9 A Undergraduate, in 1986.</p> <p>10 Q And how about the MBA?</p> <p>11 A Approximately 1990.</p> <p>12 Q I think you indicated you were employed</p> <p>13 with Lawson approximately seven years ago, around</p> <p>14 2003?</p> <p>15 A January 2003, correct.</p> <p>16 Q What was your prior employment experience</p> <p>17 before joining Lawson, just immediately before</p> <p>18 joining?</p> <p>19 A I worked for Cerner Corporation.</p> <p>20 Q What was the nature of Cerner</p> <p>21 Corporation's business?</p> <p>22 A Cerner is a healthcare information</p>
<p>26</p> <p>1 Q So when you're targeting a healthcare</p> <p>2 facility, for example, it doesn't matter from</p> <p>3 Lawson's perspective whether that is in Germany or</p> <p>4 in Maryland; is that right?</p> <p>5 A Actually that's incorrect.</p> <p>6 Q Why is that incorrect?</p> <p>7 A So within our business units, then we</p> <p>8 look at which geographic regions we go to market.</p> <p>9 We don't go to market in all geographic areas in</p> <p>10 each business unit.</p> <p>11 Q With respect to the ERP solutions we've</p> <p>12 been talking about, Lawson markets to a variety of</p> <p>13 geographic regions, correct?</p> <p>14 A Yes.</p> <p>15 Q What are the principal geographic regions</p> <p>16 that Lawson has targeted for these ERP solutions?</p> <p>17 A Generally speaking, North America,</p> <p>18 Europe, and Asia-Pacific.</p> <p>19 Q And what countries are you specifically</p> <p>20 referring to when you say "Asia-Pacific"?</p> <p>21 A Primarily Australia, Singapore, mainland</p> <p>22 China, Hong Kong, Japan.</p>	<p>28</p> <p>1 technology provider, vender in the healthcare</p> <p>2 space.</p> <p>3 Q Did Cerner develop and distribute ERP</p> <p>4 solutions?</p> <p>5 A No.</p> <p>6 Q Did Cerner employ ERP solutions?</p> <p>7 A Can you restate the question?</p> <p>8 Q Sure. Did Cerner utilize an ERP software</p> <p>9 solution in the operations of its business as a</p> <p>10 healthcare provider?</p> <p>11 A Yes.</p> <p>12 Q Did it utilize Lawson's products?</p> <p>13 A To the best of my knowledge, no.</p> <p>14 Q And how long were you at Cerner, sir?</p> <p>15 A Approximately three years.</p> <p>16 Q And I don't think I asked you this, what</p> <p>17 was your job title there?</p> <p>18 A Title was director of product marketing.</p> <p>19 Q And the products you were marketing were</p> <p>20 healthcare services?</p> <p>21 A The products were clinical applications,</p> <p>22 business applications to the healthcare market.</p>

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<p>29</p> <p>1 Q And prior to your employment with Cerner</p> <p>2 Corporation, where were you employed?</p> <p>3 A An organization called Seymour Medical</p> <p>4 Solutions. It's now known as Probation Medical.</p> <p>5 Q When did you join Cerner from Seymour?</p> <p>6 A So it would have been 19 -- 2000,</p> <p>7 roughly.</p> <p>8 Q You're aware that in the ERP space, there</p> <p>9 are a number of competitors, correct?</p> <p>10 A Yes.</p> <p>11 Q Can you name some of the competitors, the</p> <p>12 principal competitors that Lawson views as in the</p> <p>13 marketplace competing for your business sectors?</p> <p>14 A SAP, Oracle, McKesson, Tyler, Munis, just</p> <p>15 to name a few.</p> <p>16 Q Tyler, T-Y-L-E-R?</p> <p>17 A Correct.</p> <p>18 Q And Munis?</p> <p>19 A Actually pronounced Munis, M-U-N-I-S.</p> <p>20 MR. ROBERTSON: I think refreshments have</p> <p>21 arrived. Why don't we take a short two-minute</p> <p>22 recess.</p>	<p>31</p> <p>1 management and sales, through a sales operations</p> <p>2 group.</p> <p>3 Q Does the marketing department have any</p> <p>4 responsibility for the content of the Lawson</p> <p>5 website?</p> <p>6 A Yes.</p> <p>7 Q Can you tell me the nature of that</p> <p>8 responsibility?</p> <p>9 A Lawson marketing has overall</p> <p>10 responsibility for the Lawson.com website and any</p> <p>11 of our web properties, so is responsible for</p> <p>12 developing and delivering the content for the</p> <p>13 website.</p> <p>14 Q So people from the marketing department</p> <p>15 have drafted the information that's available with</p> <p>16 respect to the product features and functionality</p> <p>17 on the website?</p> <p>18 A They would be involved with the process.</p> <p>19 Q Is it the marketing department that</p> <p>20 actually loads that content once it's prepared?</p> <p>21 A Yes.</p> <p>22 Q Does the marketing department take steps</p>
<p>30</p> <p>1 THE VIDEOGRAPHER: We're going off the</p> <p>2 record. The time is 10:02 a.m.</p> <p>3 (Discussion off the record.)</p> <p>4 THE VIDEOGRAPHER: We're now back on the</p> <p>5 record. The time is 10:03 a.m.</p> <p>6 BY MR. ROBERTSON:</p> <p>7 Q How about Ariba, does Lawson ever compete</p> <p>8 with Ariba in the ERP space?</p> <p>9 A To the best of my knowledge we do on</p> <p>10 occasion, yes.</p> <p>11 Q Prior to this lawsuit, had you heard of</p> <p>12 ePlus before?</p> <p>13 A No.</p> <p>14 Q Do you do any competitive research as</p> <p>15 part of the marketing department responsibilities?</p> <p>16 I say "you," I mean generally the marketing</p> <p>17 department.</p> <p>18 A Very limited. It's not one of the</p> <p>19 responsibilities of the marketing department.</p> <p>20 Q Is it the responsibility of any other</p> <p>21 department that you know of?</p> <p>22 A It falls primarily with product</p>	<p>32</p> <p>1 to ensure that the information contained on the</p> <p>2 website is as accurate as possible?</p> <p>3 A Yes.</p> <p>4 Q How does the marketing department go</p> <p>5 about doing that, sir?</p> <p>6 A Really there's two parts to the process.</p> <p>7 In the case of product-type functionality, it goes</p> <p>8 through a review by the product management</p> <p>9 organization. And then with any of the content</p> <p>10 that we place on our website, it goes through a</p> <p>11 legal review.</p> <p>12 Q And what's the purpose of the legal</p> <p>13 review?</p> <p>14 A To make sure that the content is</p> <p>15 accurate.</p> <p>16 Q And is that because potential customers</p> <p>17 and other interested parties are going to be</p> <p>18 accessing information from the website and you want</p> <p>19 it to be as accurate as possible?</p> <p>20 A I believe that is one of the reasons,</p> <p>21 yes.</p> <p>22 Q Is it fair to say that you want people to</p>

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<p>33</p> <p>1 be able to rely on the information that's provided</p> <p>2 to them on the website? Correct?</p> <p>3 A Yes.</p> <p>4 Q Does the company's website provide to</p> <p>5 your knowledge white papers that describe the</p> <p>6 features and functionality of the company's</p> <p>7 products?</p> <p>8 A It contains white papers. I can't speak</p> <p>9 to whether it describes specific functionality of</p> <p>10 the products.</p> <p>11 Q Do you know what the purpose of the white</p> <p>12 papers are that are loaded onto the company's</p> <p>13 website?</p> <p>14 A Yes.</p> <p>15 Q What's that, sir?</p> <p>16 A It ranges. So it ranges from specific</p> <p>17 product information to white papers on general</p> <p>18 industry issues and topics that have nothing to do</p> <p>19 with software. So it can be for a wide variety of</p> <p>20 reasons, purposes.</p> <p>21 Q But there are white papers that are</p> <p>22 available on the company's website that are</p>	<p>35</p> <p>1 quite close.</p> <p>2 Q Is the marketing department at all ever</p> <p>3 involved in the RFP process that is often employed</p> <p>4 in the sales of ERP solutions?</p> <p>5 A In some cases.</p> <p>6 Q Can you tell me the nature of the</p> <p>7 involvement by giving me some examples that</p> <p>8 marketing would be involved?</p> <p>9 A Generally speaking, if there is a</p> <p>10 question on the RFP that the individual responding</p> <p>11 to the RFP doesn't know the answer to or is unique</p> <p>12 so it's not a part of our library of RFP responses,</p> <p>13 they may come to marketing for information.</p> <p>14 Q I think we both know what we're talking</p> <p>15 about, but just so it's clear on the record, in</p> <p>16 many instances when a potential customer wants to</p> <p>17 obtain a Lawson product such as an ERP solution,</p> <p>18 they will provide you with a series of questions in</p> <p>19 what's called an RFP or request for proposal.</p> <p>20 A Correct.</p> <p>21 Q And Lawson responds to those questions,</p> <p>22 correct?</p>
<p>34</p> <p>1 directed to Lawson's products, correct?</p> <p>2 A Yes.</p> <p>3 Q And again, it's Lawson's intention that</p> <p>4 these white papers provide accurate information to</p> <p>5 whoever is viewing them with respect to the</p> <p>6 features and functionality of the company's</p> <p>7 products, right?</p> <p>8 A Yes.</p> <p>9 Q You mentioned before that obviously</p> <p>10 marketing needs to interface with the sales</p> <p>11 division. What's the nature of the interaction</p> <p>12 between the two, if you can first explain it to me</p> <p>13 on a high level.</p> <p>14 A We are, again, organized around business</p> <p>15 units. And each business unit has a leader, a</p> <p>16 general manager. And as a part of that leadership</p> <p>17 team there is a director of marketing, who would be</p> <p>18 typically a part of my team. But there are other</p> <p>19 directors of marketing that don't report to me.</p> <p>20 And they would work with other leaders, which would</p> <p>21 include a director or vice president of sales.</p> <p>22 So our working relationship is actually</p>	<p>36</p> <p>1 A That's correct.</p> <p>2 Q Okay. Would you say that specifically</p> <p>3 talking about the ERP solutions and focused now on</p> <p>4 M3 and S3, that the majority of the licensing of</p> <p>5 those products occurs through the RFP process?</p> <p>6 A I can't answer that question.</p> <p>7 Q Let me see if I can restate it. Lawson</p> <p>8 goes out and licenses its ERP solutions to a number</p> <p>9 of customers, correct?</p> <p>10 A Correct.</p> <p>11 Q Do you know whether that is direct</p> <p>12 marketing, or whether in most instances the</p> <p>13 customer issues an RFP to obtain information with</p> <p>14 respect to the products?</p> <p>15 A I would say it's not uncommon for us to</p> <p>16 receive requests for proposals that come directly</p> <p>17 to Lawson. So it hasn't been through a direct</p> <p>18 marketing type process.</p> <p>19 Q Who has primary responsibility for</p> <p>20 responding to the RFPs? Is it the sales division</p> <p>21 or the marketing division?</p> <p>22 A Sales division.</p>

<p>37</p> <p>1 Q Is there a person in the Americas who</p> <p>2 would have that primary responsibility for ensuring</p> <p>3 that the RFPs -- excuse me, the responses to RFPs</p> <p>4 are accurate?</p> <p>5 A To the best of my knowledge that</p> <p>6 individual is the account executive.</p> <p>7 Q And the account executive, is that</p> <p>8 organized by industry, or is that just a particular</p> <p>9 account sales representative who has a number of</p> <p>10 customers and he completes -- that's a bad</p> <p>11 question. Let me start over.</p> <p>12 A Sure.</p> <p>13 Q The account executive, how is he</p> <p>14 organized? By industry, or otherwise?</p> <p>15 A By industry, or what we call business</p> <p>16 unit.</p> <p>17 Q Is there an account executive for each</p> <p>18 business unit?</p> <p>19 A Yes.</p> <p>20 Q Is there more than one account executive</p> <p>21 for each business unit?</p> <p>22 A Yes.</p>	<p>39</p> <p>1 example in the healthcare industry, is curious to</p> <p>2 how many other healthcare providers are presently</p> <p>3 Lawson's customers for these ERP solutions, right?</p> <p>4 A Right.</p> <p>5 Q And they want to know what's the size of</p> <p>6 the company and the revenues it generates, to see</p> <p>7 if Lawson is equipped to handle their needs, isn't</p> <p>8 that right?</p> <p>9 A That would be an example.</p> <p>10 Q You mentioned in one of your answers that</p> <p>11 there is a library of RFPs. Do you recall that</p> <p>12 testimony?</p> <p>13 A I stated there is a library of RFP</p> <p>14 responses.</p> <p>15 Q Are those actual responses to potential</p> <p>16 customer inquiries in the RFP process?</p> <p>17 A No.</p> <p>18 Q What is it?</p> <p>19 A It is a library of approved responses,</p> <p>20 templated responses to standard types of questions,</p> <p>21 comment types of questions that we receive.</p> <p>22 Q So it is not unusual in this RFP process</p>
<p>38</p> <p>1 Q So there may be multiple account</p> <p>2 executives for a particular business unit, right?</p> <p>3 A That's correct.</p> <p>4 Q And each account executive is the person</p> <p>5 primarily responsible for ensuring the accuracy of</p> <p>6 a response to an RFP for a particular customer?</p> <p>7 A That is my understanding.</p> <p>8 Q But I think you indicated that</p> <p>9 occasionally there may be a question with respect</p> <p>10 to a particular response that they may seek input</p> <p>11 from marketing, right?</p> <p>12 A That's correct.</p> <p>13 Q Can you give me any examples of those</p> <p>14 types of questions that come to marketing from the</p> <p>15 sales division with respect to the RFP process?</p> <p>16 A Some examples that come to mind are</p> <p>17 number of customers we have in a particular</p> <p>18 industry or segment of an industry. We'll get</p> <p>19 questions on which types of events and associations</p> <p>20 we are affiliated with, generally tending to be</p> <p>21 marketing focussed.</p> <p>22 Q So a potential customer, let's say for</p>	<p>40</p> <p>1 for customers to have the same types of questions</p> <p>2 about the features and functionality of a product,</p> <p>3 say an M3 or an S3; is that correct?</p> <p>4 A That's correct.</p> <p>5 Q So the company has anticipated those</p> <p>6 questions or through experience understands what</p> <p>7 those questions are, and prepares a stock set of</p> <p>8 answers that can be plugged in for the RFP process,</p> <p>9 correct?</p> <p>10 A That's correct.</p> <p>11 Q And just like the website, is it Lawson's</p> <p>12 intention that those templates or stock answers to</p> <p>13 these common questions be as accurate as possible</p> <p>14 with respect to the features and functionalities of</p> <p>15 the products? Correct?</p> <p>16 A Correct.</p> <p>17 Q It's not Lawson's intent to mislead</p> <p>18 anybody about the features and functionality of its</p> <p>19 software products, right?</p> <p>20 A That's correct.</p> <p>21 Q So if we were looking at a response to an</p> <p>22 RFP with respect to the features and functionality</p>

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<p>41</p> <p>1 of an ERP solution such as M3 or S3, we should be</p> <p>2 able to rely on the accuracy of that information,</p> <p>3 correct?</p> <p>4 A That's correct.</p> <p>5 Q Where is this library of stock answers or</p> <p>6 templates for responses to RFPs physically located?</p> <p>7 A I don't know the answer to that.</p> <p>8 Q Is it accessible through an Intranet</p> <p>9 website in the company?</p> <p>10 A I don't know that specific answer.</p> <p>11 Q Are there responses to -- strike that.</p> <p>12 Let me start over. If you needed to obtain a</p> <p>13 template or a stock answer for a common question in</p> <p>14 the RFP process for an ERP software solution, how</p> <p>15 would you go about doing that?</p> <p>16 A My understanding is our sales force has</p> <p>17 access, our sales force understands where that</p> <p>18 information is located.</p> <p>19 Q Is it something they can obtain through</p> <p>20 the company's electronic computer network?</p> <p>21 A I don't know the answer to that.</p> <p>22 Q Who in the sales department would be</p>	<p>43</p> <p>1 not about the M3?</p> <p>2 A Primarily because my focus being</p> <p>3 primarily -- North America is our core market for</p> <p>4 S3 or service industries, and it's more of an</p> <p>5 evolving market for M3.</p> <p>6 Q I've seen documentation that indicates</p> <p>7 that Lawson for ERP solutions has a majority of the</p> <p>8 market sector for service industries in the United</p> <p>9 States. Is that correct?</p> <p>10 A Could you repeat the question?</p> <p>11 Q Sure. Let me just ask it straight out.</p> <p>12 Does Lawson have a majority of the market for ERP</p> <p>13 solutions to the service industry in the United</p> <p>14 States, to your knowledge?</p> <p>15 A No.</p> <p>16 Q Who does?</p> <p>17 A I don't know the answer to that.</p> <p>18 Q Would it be SAP or Oracle, one of those?</p> <p>19 A Most likely.</p> <p>20 Q What if any kind of market research does</p> <p>21 the marketing department do?</p> <p>22 A We really don't do any competitive</p>
<p>42</p> <p>1 familiar with where that information can be</p> <p>2 obtained?</p> <p>3 A Who by name?</p> <p>4 Q Yes, sir.</p> <p>5 A Our vice president of sales operations,</p> <p>6 Mike Poling. I'm assuming the sales leaders across</p> <p>7 any of our business units would have that</p> <p>8 information.</p> <p>9 Q How about the account executives, is it</p> <p>10 your understanding that they can readily access</p> <p>11 that information when responding to RFPs?</p> <p>12 A Yes.</p> <p>13 Q Do you know through your experience</p> <p>14 whether or not there are templates or stock answers</p> <p>15 to RFPs specifically with respect to the M3</p> <p>16 product?</p> <p>17 A I don't know for sure.</p> <p>18 Q How about, do you know whether or not</p> <p>19 there are stock answers or templates in response to</p> <p>20 common questions with respect to the S3 product?</p> <p>21 A Yes, there are.</p> <p>22 Q Why is it that you know about the S3 and</p>	<p>44</p> <p>1 research at this time.</p> <p>2 Q Do you do any market research with</p> <p>3 respect to business opportunities in these industry</p> <p>4 sectors you've been talking about?</p> <p>5 A Yes.</p> <p>6 Q Are there any industry reports that</p> <p>7 Lawson relies upon to understand the needs of the</p> <p>8 ERP market?</p> <p>9 A Yes.</p> <p>10 Q Can you give me some examples?</p> <p>11 A Examples would be through our</p> <p>12 relationships with some of the industry analysts</p> <p>13 such as Gartner Group, Forrester, just to name a</p> <p>14 few.</p> <p>15 Q Aberdeen?</p> <p>16 A In the past, yes.</p> <p>17 Q Which of those three that we just</p> <p>18 mentioned would you consider to be most reliable as</p> <p>19 far as information concerning the ERP market?</p> <p>20 A Gartner.</p> <p>21 Q Does the company rely on some of the</p> <p>22 information with respect to the ERP market that's</p>

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<p>45</p> <p>1 provided by Gartner in its reports?</p> <p>2 A I wouldn't characterize it as "rely." We</p> <p>3 utilize the information.</p> <p>4 Q How often does the company receive</p> <p>5 reports from Gartner as to the ERP market?</p> <p>6 A On an ongoing basis.</p> <p>7 Q Do you know how frequent they are issued,</p> <p>8 quarterly, monthly?</p> <p>9 A There's a variety of reports that Gartner</p> <p>10 puts out. So they're based on different times</p> <p>11 throughout the year. So it's ongoing.</p> <p>12 Q Does the marketing group specifically</p> <p>13 subscribe to those publications?</p> <p>14 A We do.</p> <p>15 Q You said you used to use Aberdeen in the</p> <p>16 past. Why don't you use Aberdeen anymore?</p> <p>17 A A company decision.</p> <p>18 MR. ROBERTSON: While I'm thinking about</p> <p>19 it, I'm not sure I've seen this library of stock</p> <p>20 answers or templates with respect to the RFP</p> <p>21 process. So I just request that that be provided.</p> <p>22 I'm pretty sure it would fall within the scope of</p>	<p>47</p> <p>1 Lawson Software product?</p> <p>2 A Just for point of clarification, when you</p> <p>3 say "customer," are you talking about an existing</p> <p>4 Lawson customer or, more broadly, the market?</p> <p>5 Q I guess I'm talking about a potential</p> <p>6 customer. Let's break it down, since you raise an</p> <p>7 interesting point. Sometimes -- obviously there's</p> <p>8 a number of software solutions that Lawson offers,</p> <p>9 correct?</p> <p>10 A Correct.</p> <p>11 Q And one of the things that marketing</p> <p>12 wants to do is expand its product line to its</p> <p>13 existing customer base, correct?</p> <p>14 A Yes.</p> <p>15 Q The other thing Lawson wants to do is</p> <p>16 reach out and find new customers for its software</p> <p>17 products, correct?</p> <p>18 A That's correct.</p> <p>19 Q So when we were talking about the direct</p> <p>20 or targeted marketing for customers, that's done</p> <p>21 both to existing customers and to potential</p> <p>22 customers?</p>
<p>46</p> <p>1 our document request. But I just want to put that</p> <p>2 on the record.</p> <p>3 MR. SCHULTZ: I've got that written down.</p> <p>4 BY MR. ROBERTSON:</p> <p>5 Q I understood you to indicate you did</p> <p>6 little if any competitive research. How about</p> <p>7 specific customer research? Do you go out and</p> <p>8 research customers that fall within your industry</p> <p>9 sectors that might be potential buyers or licensors</p> <p>10 of Lawson products?</p> <p>11 A Within marketing, it's typically done</p> <p>12 more at a larger segment level, a segment of the</p> <p>13 market as opposed to a unique or individual</p> <p>14 organization. That would be done at the sales</p> <p>15 level.</p> <p>16 Q I think you indicated that there were</p> <p>17 some direct or targeted marketing with respect to</p> <p>18 customers. Who does that? The marketing</p> <p>19 department or the sales department?</p> <p>20 A Primarily marketing.</p> <p>21 Q And how do you get your leads as to what</p> <p>22 specific potential customer may be interested in a</p>	<p>48</p> <p>1 A Correct.</p> <p>2 Q Who provides the lead for a potential new</p> <p>3 customer to Lawson to reach out through this direct</p> <p>4 marketing campaign?</p> <p>5 A It could come via marketing, or through</p> <p>6 sales generating it itself.</p> <p>7 Q What's involved in the direct marketing</p> <p>8 process? Is there literature, brochures, you know,</p> <p>9 e-mail spamming? What's the process for direct</p> <p>10 targeted marketing of a potential new customer?</p> <p>11 A We don't spam. But it really runs the</p> <p>12 spectrum from the development of collateral or</p> <p>13 brochures. We do e-mail marketing, trade show</p> <p>14 marketing, direct mail, to webinar, web-type</p> <p>15 events. So we really use the full range of</p> <p>16 different types of marketing activities to reach</p> <p>17 both potential customers and existing customers.</p> <p>18 Q The marketing brochures you talked about</p> <p>19 that are utilized in this direct marketing effort,</p> <p>20 does that fall within the marketing department's</p> <p>21 responsibilities?</p> <p>22 A Yes.</p>

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<p>49</p> <p>1 Q So marketing is responsible for the</p> <p>2 content of those brochures, correct?</p> <p>3 A Yes.</p> <p>4 Q Like your website and your responses to</p> <p>5 RFPs, does Lawson make efforts to ensure that the</p> <p>6 information contained in these brochures with</p> <p>7 respect to the products is accurate?</p> <p>8 A It does.</p> <p>9 Q And like the website, does Lawson also</p> <p>10 make efforts to have a legal review of the</p> <p>11 brochures to see that the information is accurate?</p> <p>12 A Yes. All of that type of external</p> <p>13 information, including RFPs, goes through a legal</p> <p>14 review.</p> <p>15 Q I'm sorry. So the RFPs also go through a</p> <p>16 legal review?</p> <p>17 A To the best of my knowledge, yes.</p> <p>18 Q Is that done by in-house counsel at</p> <p>19 Lawson?</p> <p>20 A To the best of my knowledge, yes.</p> <p>21 Q Do you know how many in-house counsel</p> <p>22 Lawson currently employs in its United States</p>	<p>51</p> <p>1 A That's correct.</p> <p>2 Q Just for the record, why don't you</p> <p>3 describe what a webinar is.</p> <p>4 A A webinar is where Lawson will put on an</p> <p>5 event that is delivered online via the web, and</p> <p>6 will typically include both a video portion as well</p> <p>7 as an audio portion. People access it via that</p> <p>8 laptop or a combination of their laptop or a</p> <p>9 computer as well as phone. And we are delivering</p> <p>10 various types of information via an online event.</p> <p>11 People participate virtually.</p> <p>12 Q Who would be some of the potential</p> <p>13 targets for a webinar demonstration?</p> <p>14 A It could be any of the customers or</p> <p>15 potential customers in our target markets.</p> <p>16 Q Would a salesperson or a marketing person</p> <p>17 potentially reach out to a new customer to make a</p> <p>18 webinar presence so that the customer can</p> <p>19 understand the features and functionality of a</p> <p>20 software product that Lawson is offering?</p> <p>21 A Potentially.</p> <p>22 Q Is marketing responsible for the content</p>
<p>50</p> <p>1 operations?</p> <p>2 A I don't.</p> <p>3 Q More than five?</p> <p>4 A I couldn't say.</p> <p>5 Q How do you know then, though, that the</p> <p>6 responses to RFPs go through legal review?</p> <p>7 A Just based on my interaction with sales.</p> <p>8 Q Is that with respect to every response to</p> <p>9 an RFP that goes to a customer, it goes through</p> <p>10 legal review first?</p> <p>11 A That is my understanding.</p> <p>12 Q And again, that's to ensure that nothing</p> <p>13 misleading is being presented to the customer in</p> <p>14 describing the features and functionality of the</p> <p>15 software products being offered?</p> <p>16 A Among other reasons, yes.</p> <p>17 Q What other reasons can you think of?</p> <p>18 A Make sure we are presenting our product</p> <p>19 information in the most positive form.</p> <p>20 Communication that people can understand, etc.</p> <p>21 Q Besides the brochures, you mentioned</p> <p>22 webinars, correct?</p>	<p>52</p> <p>1 of the webinar demonstrations?</p> <p>2 A I wouldn't characterize them as</p> <p>3 demonstrations. But for the webinars, yes.</p> <p>4 Q I believe I've seen some printouts of</p> <p>5 webinars that I think have been produced in this</p> <p>6 case, or are available on the website. Let me ask</p> <p>7 you first, do you know whether or not there's any</p> <p>8 links in the website that would permit a</p> <p>9 potential -- any audience to view a webinar?</p> <p>10 A Generally speaking they are available to</p> <p>11 anybody, after the individual goes through a</p> <p>12 registration process.</p> <p>13 Q So you have to register online, and then</p> <p>14 a web page is made available where there are links</p> <p>15 to observe a webinar presentation?</p> <p>16 A That's true for a recorded webinar, an</p> <p>17 event that's already taken place.</p> <p>18 Q Are the webinars sometimes targeted to a</p> <p>19 specific product such as M3 or S3?</p> <p>20 A Yes.</p> <p>21 Q I think I've seen some webinars in which</p> <p>22 they have actual screenshots of user interfaces,</p>

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<p>53</p> <p>1 demonstrating how a particular product such as M3</p> <p>2 or S3 is to be utilized by a customer. Are you</p> <p>3 aware of that?</p> <p>4 A That would not be unusual.</p> <p>5 Q And again, as with the website, responses</p> <p>6 to RFPs and the brochures, it's Lawson's intention</p> <p>7 that the webinars present accurate information with</p> <p>8 respect to the features and functionalities of the</p> <p>9 Lawson Software products, correct?</p> <p>10 A That's correct.</p> <p>11 Q Did they also go through legal review, to</p> <p>12 your knowledge?</p> <p>13 A To the best of my knowledge, yes.</p> <p>14 Q I might have asked this. Did I ask</p> <p>15 whether marketing is responsible for the content of</p> <p>16 the webinars?</p> <p>17 A Yes, I believe you did.</p> <p>18 Q And what was your answer?</p> <p>19 A Yes.</p> <p>20 Q Do you need to get information with</p> <p>21 respect to that from any other group?</p> <p>22 A Yes.</p>	<p>55</p> <p>1 sources.</p> <p>2 Q Back to this ERP enterprise resource</p> <p>3 planning, you indicated that it's your</p> <p>4 understanding that M3 and S3 are software</p> <p>5 manifestations of ERP, correct?</p> <p>6 A That's correct.</p> <p>7 Q Within an M3 or an S3 ERP product,</p> <p>8 though, I think you indicated there are a number of</p> <p>9 electronic services that can be provided such as</p> <p>10 human resource services, financial services,</p> <p>11 accounting services, and supply change -- excuse</p> <p>12 me, supply chain management, correct?</p> <p>13 A That's correct.</p> <p>14 Q What's your understanding as to what</p> <p>15 supply chain management is?</p> <p>16 A The way I would describe supply chain</p> <p>17 management is helping organizations manage their</p> <p>18 procurement, inventory control process, taking cost</p> <p>19 out of their business through managing their</p> <p>20 supplies more effectively.</p> <p>21 Q It's one of the goals of Lawson to make</p> <p>22 the electronic procurement process more efficient,</p>
<p>54</p> <p>1 Q And what group would that be?</p> <p>2 A It typically, again, would involve -- if</p> <p>3 it's product-related, it would involve direct</p> <p>4 involvement of our product management organization.</p> <p>5 Q Is the R&D department part of the product</p> <p>6 management department?</p> <p>7 A No.</p> <p>8 Q It's a separate division of the company?</p> <p>9 A That's correct.</p> <p>10 Q At a high level, what is product</p> <p>11 management responsible for?</p> <p>12 A At a high level, the way I would describe</p> <p>13 it is responsible for identifying the needs in the</p> <p>14 marketplace for products, product functionality,</p> <p>15 translating those needs into product requirements.</p> <p>16 Q How does the product management</p> <p>17 department go about doing that and identifying</p> <p>18 marketplace needs for products?</p> <p>19 A As far as I know, I'm not a part of that</p> <p>20 organization, it's a variety of activities, from</p> <p>21 speaking with our customers, speaking with our</p> <p>22 sales organization, getting input from a variety of</p>	<p>56</p> <p>1 thereby saving its customers money, correct?</p> <p>2 A Generally speaking, yes.</p> <p>3 Q Have you heard the term "e-Procurement"</p> <p>4 before?</p> <p>5 A Yes.</p> <p>6 Q And M3 and S3 products have an</p> <p>7 e-Procurement solution, correct?</p> <p>8 A It would depend exactly how you're</p> <p>9 defining e-Procurement.</p> <p>10 Q What's your understanding of what</p> <p>11 e-Procurement is?</p> <p>12 A E-Procurement would be automating the</p> <p>13 procurement process by -- and one example would be</p> <p>14 putting it online, removing paper from the process,</p> <p>15 and building connections between the customer</p> <p>16 organization and the various suppliers that they</p> <p>17 work with.</p> <p>18 Q As you've just defined it, is it your</p> <p>19 understanding that M3 has an e-Procurement</p> <p>20 solution?</p> <p>21 A To the best of my knowledge, yes.</p> <p>22 Q And let me ask the same question, as you</p>

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<p>57</p> <p>1 defined it, is it your understanding that S3 has an</p> <p>2 e-Procurement solution?</p> <p>3 A Yes.</p> <p>4 Q We talked about a number of different</p> <p>5 functionalities that are available with the M3 and</p> <p>6 S3 product. Can a customer buy those separately?</p> <p>7 Do you understand the question?</p> <p>8 A No, I don't.</p> <p>9 Q Is the customer required, when it</p> <p>10 licenses, for example, an M3 product, to have</p> <p>11 implemented all of the suite of solutions that M3</p> <p>12 offers, for example?</p> <p>13 A I'm not involved in the sales process. I</p> <p>14 can't answer the question at that level of detail.</p> <p>15 Q Let me ask it a different way, though.</p> <p>16 Do you know whether or not customers just purchase</p> <p>17 specific solutions from an M3 or an S3 ERP product?</p> <p>18 A My general understanding is it's more</p> <p>19 common on the S3, less common on the M3 side.</p> <p>20 Q And maybe, again, this is not a fair</p> <p>21 question to you, but do you know whether or not</p> <p>22 with respect to the sale or license of an M3</p>	<p>59</p> <p>1 A A combination.</p> <p>2 Q Where did you specifically look when you</p> <p>3 were asked to gather documents responsive to</p> <p>4 requests in this case?</p> <p>5 A I specifically looked on my laptop, my</p> <p>6 computer, as well as on my -- on the shared drive</p> <p>7 that the marketing organization uses.</p> <p>8 Q Your laptop, do you know how long you've</p> <p>9 had that?</p> <p>10 A The particular physical laptop I have</p> <p>11 today, I have had for I think about six months.</p> <p>12 Q Do you know whether or not, when you</p> <p>13 received the new laptop six years ago, any of the</p> <p>14 data was transferred over to the new laptop?</p> <p>15 A To the best of my knowledge -- I've had</p> <p>16 three laptops over the course of my time at</p> <p>17 Lawson -- that when I moved to the new laptop, all</p> <p>18 of the hard drive contents were moved onto the new</p> <p>19 laptop.</p> <p>20 Q Do you know whether or not Lawson</p> <p>21 archives e-mails as part of its operations?</p> <p>22 A I don't know for certain.</p>
<p>58</p> <p>1 product, whether or not the company can</p> <p>2 specifically price the various software solutions</p> <p>3 being offered?</p> <p>4 A I don't.</p> <p>5 Q Sales would be the people who would be</p> <p>6 able to tell me about that?</p> <p>7 A Pricing at Lawson is managed by product</p> <p>8 management. Obviously the execution of the pricing</p> <p>9 is done by sales.</p> <p>10 Q So product management would be the</p> <p>11 division of the company that could break out the</p> <p>12 costs for the various software solutions within an</p> <p>13 ERP such as M3 or S3?</p> <p>14 A By "costs," do you mean that -- the</p> <p>15 prices that we charge to our customers?</p> <p>16 Q Yes.</p> <p>17 A Yes.</p> <p>18 Q Were you asked to collect documents as</p> <p>19 part of this lawsuit?</p> <p>20 A I was.</p> <p>21 Q Did you do the search, or did someone do</p> <p>22 the search for you?</p>	<p>60</p> <p>1 Q Do you know whether or not e-mails on</p> <p>2 your laptop were searched as part of the production</p> <p>3 in this case?</p> <p>4 A My understanding is they were.</p> <p>5 Q You indicated you had searched your</p> <p>6 laptop and the shared drive with respect to</p> <p>7 marketing information. Did you look anywhere else</p> <p>8 for hard copy documents, or was it just in</p> <p>9 electronic format?</p> <p>10 A We looked at hard copy as well.</p> <p>11 Q And did you identify any hard copy</p> <p>12 documents responsive?</p> <p>13 A I did not.</p> <p>14 Q You did not?</p> <p>15 A I did not.</p> <p>16 Q Did somebody else?</p> <p>17 A We -- I also worked with our director of</p> <p>18 marketing communications, because it is our</p> <p>19 marketing communications organization that</p> <p>20 typically works more with our collateral, our</p> <p>21 brochures, and they did a similar type of search.</p> <p>22 Q And who would that individual be, sir?</p>

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<p>61</p> <p>1 A Kim Ross.</p> <p>2 Q And did Ms. Ross attempt to collect</p> <p>3 marketing brochures and internal marketing</p> <p>4 documents responsive to the requests?</p> <p>5 A Yes.</p> <p>6 Q Where did she look, do you know?</p> <p>7 A She looked, again, on the shared drives,</p> <p>8 network drives that marketing uses, as well as our</p> <p>9 physical inventory of collateral; and because of</p> <p>10 the timing involved in the -- the timespan involved</p> <p>11 in the case, going back to some old floppy disk</p> <p>12 type storage that had been used in past years.</p> <p>13 Q I want to ask you a general question</p> <p>14 about the types of documents that the marketing</p> <p>15 group generates, because I've seen a variety of</p> <p>16 types, including quarterly reports, some</p> <p>17 PowerPoints. I haven't seen a lot of brochures.</p> <p>18 But we'll go back and look and see if we can find</p> <p>19 those. What kind of reports for example does the</p> <p>20 marketing group generate for management?</p> <p>21 A We generate typically on a -- well, on a</p> <p>22 weekly basis we report -- create a report, very</p>	<p>63</p> <p>1 report that you produce, it's based on your</p> <p>2 performance in terms of lead generation activity.</p> <p>3 What do you mean by that?</p> <p>4 A That's one example. But it's basically</p> <p>5 looking at the -- what we call the key performance</p> <p>6 indicators that we track within marketing. An</p> <p>7 example of that would be the number of leads that</p> <p>8 marketing generated in the quarter, the amount of</p> <p>9 pipeline, sales pipeline that the marketing</p> <p>10 department created, among other things.</p> <p>11 Q When you say "sales pipeline," would it</p> <p>12 have sales figures in the report, as to leads that</p> <p>13 led to business?</p> <p>14 A Yes.</p> <p>15 Q Where do you get that revenue information</p> <p>16 from? The sales department?</p> <p>17 A Marketing has access to -- the primary</p> <p>18 tool Lawson uses is Salesforce.com. Both marketing</p> <p>19 and sales have access to it.</p> <p>20 Q There was another report you mentioned, I</p> <p>21 think it's done on a quarterly basis.</p> <p>22 A There is a quarterly business unit or</p>
<p>62</p> <p>1 high level report up to the CEO group, the CEO and</p> <p>2 his direct reports.</p> <p>3 On a quarterly basis we produce a set of</p> <p>4 reports that is based on our performance in terms</p> <p>5 of lead generation activity, impacting the</p> <p>6 marketplace, as well as we work in conjunction with</p> <p>7 the general managers of the business units to</p> <p>8 create quarterly reports around performance of the</p> <p>9 business unit, trends in the market places,</p> <p>10 performance of the business unit.</p> <p>11 Q The report you generate for the CEO,</p> <p>12 that's a weekly report?</p> <p>13 A That's correct.</p> <p>14 Q Who is the principal author of that?</p> <p>15 A It is actually -- it's built up from our</p> <p>16 marketing directors and leaders of our different</p> <p>17 areas within marketing, goes up to -- for my group</p> <p>18 it would come up to me, I would consolidate it, it</p> <p>19 goes up to our senior vice president of marketing.</p> <p>20 Q Does that report have a name?</p> <p>21 A Weekly CEO report.</p> <p>22 Q You mentioned that there's a quarterly</p>	<p>64</p> <p>1 industry report.</p> <p>2 Q Is that done by marketing, or is that</p> <p>3 done by the business units?</p> <p>4 A It's a joint effort.</p> <p>5 Q Does that report have a name?</p> <p>6 A Really just quarter -- quarterly business</p> <p>7 unit report.</p> <p>8 Q And we mentioned the website content and</p> <p>9 white papers which were also generated by the</p> <p>10 marketing department?</p> <p>11 A Generally speaking, yes.</p> <p>12 Q We were talking about the supplier chain</p> <p>13 management solution that's offered by Lawson, and</p> <p>14 specifically you gave me a definition for</p> <p>15 e-Procurement, which I understood you to indicate</p> <p>16 was a supplier chain management tool, correct?</p> <p>17 A A supply chain management tool, correct.</p> <p>18 Q That e-Procurement tool has a number of</p> <p>19 components, would that be fair to say?</p> <p>20 A Yes.</p> <p>21 Q Specifically it has a number of software</p> <p>22 modules that can make up the supply chain</p>

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<p>65</p> <p>1 management tool, right?</p> <p>2 A That's correct.</p> <p>3 Q For example, there is a requisition</p> <p>4 module you're familiar with?</p> <p>5 A That's correct.</p> <p>6 Q Is there a purchase order module?</p> <p>7 A That's correct.</p> <p>8 Q Are you familiar with a punchout</p> <p>9 catalogue module?</p> <p>10 A Yes.</p> <p>11 Q And when Lawson is providing this</p> <p>12 electronic procurement solution, those modules form</p> <p>13 the basis of the supply chain flow for the</p> <p>14 purchasing process, correct?</p> <p>15 A They are components of the Supply Chain</p> <p>16 Management product.</p> <p>17 Q That permit a customer seeking to obtain</p> <p>18 product, for example, from a specific vendor to</p> <p>19 complete the purchasing process, right?</p> <p>20 A That is my understanding.</p> <p>21 MR. ROBERTSON: I'm going to move on to</p> <p>22 some documents, so maybe you want to take a short</p>	<p>67</p> <p>1 entitled "Lawson Marketing & Organization." I ask</p> <p>2 you, have you seen this document before, sir?</p> <p>3 A Off the top of my head I can't say I</p> <p>4 have, but it looks generally familiar.</p> <p>5 Q Anders Ekman, does he or she work for</p> <p>6 you? I assume it's a he.</p> <p>7 A It's a he. No, he reports to Travis</p> <p>8 White.</p> <p>9 Q If you'll look at the next page, and just</p> <p>10 so you see it there, you have to -- is yours</p> <p>11 one-sided or two-sided?</p> <p>12 A One-sided.</p> <p>13 Q Okay. Mine is two-sided. The next page</p> <p>14 which ends with the Bates label -- when I say</p> <p>15 "Bates label" I mean the number at the lower right</p> <p>16 hand corner. That ends with 39, do you see that?</p> <p>17 A I do.</p> <p>18 Q Right above it at page 2 there's a date,</p> <p>19 September 20, 2009, do you see that?</p> <p>20 A Yes.</p> <p>21 Q That's fairly recent. Do you know</p> <p>22 whether or not that's the actual date of this</p>
<p>66</p> <p>1 ten-minute break? We've been going a little more</p> <p>2 than an hour. But I'm happy to move forward. It's</p> <p>3 up to you.</p> <p>4 MR. SCHULTZ: It's up to the witness.</p> <p>5 Why don't we take a five-minute break.</p> <p>6 MR. ROBERTSON: Then I'll get a little</p> <p>7 organized, and that way we can move a little</p> <p>8 faster.</p> <p>9 MR. SCHULTZ: That would be fine.</p> <p>10 MR. ROBERTSON: Thanks.</p> <p>11 THE VIDEOGRAPHER: Going off the record.</p> <p>12 The time is 10:42 a.m.</p> <p>13 (Recess.)</p> <p>14 THE VIDEOGRAPHER: We're now back on the</p> <p>15 record. The time is 10:51 a.m.</p> <p>16 (Frank Exhibit Number 1 was marked for</p> <p>17 identification and attached to the deposition</p> <p>18 transcript.)</p> <p>19 BY MR. ROBERTSON:</p> <p>20 Q Mr. Frank, I've handed you what I've</p> <p>21 marked as Exhibit Number 1, which for the record</p> <p>22 has a Bates label of LE 00161038 through 46. It's</p>	<p>68</p> <p>1 document, or perhaps that's the date when it was</p> <p>2 printed?</p> <p>3 A I believe it's the date when it was</p> <p>4 printed.</p> <p>5 Q Can you give me a ballpark about how</p> <p>6 current this document would be?</p> <p>7 A May I page ahead?</p> <p>8 Q Excuse me?</p> <p>9 A May I page ahead?</p> <p>10 Q By all means, please, look at whatever</p> <p>11 you want to look at.</p> <p>12 A So I'm on page 4, or ending 041, and</p> <p>13 based on some of the names that I see here, I'm</p> <p>14 estimating this is about a year and a half to two</p> <p>15 years old.</p> <p>16 Q Is that because some of the names have</p> <p>17 changed?</p> <p>18 A People are no longer with the company,</p> <p>19 and approximate employment -- and they have left</p> <p>20 approximately [sic].</p> <p>21 Q Page 4 in Exhibit 1 is a marketing</p> <p>22 organization chart, correct?</p>

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<p>69</p> <p>1 A It is.</p> <p>2 Q And you're listed there as Americas</p> <p>3 marketing, right?</p> <p>4 A Correct.</p> <p>5 Q There's a Martin Hill for EMEA marketing,</p> <p>6 do you see that?</p> <p>7 A Yes.</p> <p>8 Q Do you know what EMEA stands for?</p> <p>9 A Europe, Middle East, and Africa.</p> <p>10 Q Then there is Mr. Anders Ekman, who is</p> <p>11 the marketing communications vice president,</p> <p>12 correct?</p> <p>13 A Correct.</p> <p>14 Q Then there's Peter Quinn, who is</p> <p>15 marketing operations, do you see that?</p> <p>16 A Yes.</p> <p>17 Q What is Mr. Quinn's responsibility in</p> <p>18 marketing operations, how do they differ from</p> <p>19 yours?</p> <p>20 A Marketing operations is focused more on</p> <p>21 the processes and tools and technology that we use</p> <p>22 within marketing across all of the other groups to</p>	<p>71</p> <p>1 for Australia, New Zealand, Asia and Japan, those</p> <p>2 two individuals are no longer with the company.</p> <p>3 Q Why are those individuals in those boxes</p> <p>4 for ANZ and Asia and Japan a dotted line?</p> <p>5 A Basically just because of a corporate</p> <p>6 decision, how we would organize that region of the</p> <p>7 world.</p> <p>8 Q What corporate decision led to it being a</p> <p>9 dotted line as opposed to a bold, straight line?</p> <p>10 A In short because Asia-Pacific is really</p> <p>11 more of a startup business for Lawson, and because</p> <p>12 of just the physical remoteness, geographic</p> <p>13 remoteness of the area, it was decided that the</p> <p>14 marketing staff within that group would report up</p> <p>15 to the general manager of -- for Asia-Pacific.</p> <p>16 That's a business unit at Lawson.</p> <p>17 Q Do you know what the purpose of this</p> <p>18 document was, why it was created?</p> <p>19 A I'll just page through some of the others</p> <p>20 just to get a better sense of it. My sense would</p> <p>21 be this document was used at a point where maybe we</p> <p>22 had some organizational changes, or at the start of</p>
<p>70</p> <p>1 be more efficient, more effective.</p> <p>2 Q What are some of those tools and</p> <p>3 technology you use to be more efficient and</p> <p>4 effective?</p> <p>5 A Examples of those probably would be --</p> <p>6 the biggest would be our use of Salesforce.com as</p> <p>7 our CRM solution. But it also includes products</p> <p>8 like Eloqua, which we use for e-mail marketing. We</p> <p>9 have a product we use with our reference program.</p> <p>10 So any type of tool technology that the department</p> <p>11 uses.</p> <p>12 Q And CRM stands for --</p> <p>13 A Customer relationship management.</p> <p>14 Q What's changed with this chart with</p> <p>15 respect to the current marketing hierarchy?</p> <p>16 A The main change would be the corporate</p> <p>17 communications, Terry Blake, he is still an</p> <p>18 employee of Lawson, no longer a part of the</p> <p>19 marketing organization. And we have essentially</p> <p>20 moved the corporate communications group into some</p> <p>21 of the other areas. And then the two names that</p> <p>22 you see on the dotted line for ANZ, which stands</p>	<p>72</p> <p>1 a fiscal year, and it was meant to communicate to</p> <p>2 Mr. Ekman's group how we're organized, how we're</p> <p>3 structured, how we'll work.</p> <p>4 Q Was Mr. Ekman new to his position about</p> <p>5 the time this document was created?</p> <p>6 A No.</p> <p>7 Q How long has Mr. Ekman been with the</p> <p>8 company? Your best estimate.</p> <p>9 A I don't know the total length of time,</p> <p>10 but Mr. Ekman joined Lawson from Intentia as a part</p> <p>11 of the merger.</p> <p>12 Q Do you know whether there is an updated</p> <p>13 organizational chart for the marketing group?</p> <p>14 A There is.</p> <p>15 Q Do you know whether or not that was one</p> <p>16 of the documents you collected when you were asked</p> <p>17 to produce documents in the case?</p> <p>18 A I don't recall.</p> <p>19 MR. ROBERTSON: Just again, Will, I don't</p> <p>20 think I've seen an updated organizational chart,</p> <p>21 but if you have a Bates range you want to direct us</p> <p>22 to, I would appreciate it. We looked for one, and</p>

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<p>73</p> <p>1 this is what we found.</p> <p>2 BY MR. ROBERTSON:</p> <p>3 Q There is at page 6 of the document a</p> <p>4 corporate organizational chart for the marketing</p> <p>5 communications department. Do you see that?</p> <p>6 A Yes.</p> <p>7 Q And I'm not going to ask you whether or</p> <p>8 not this has changed in any way, but is it</p> <p>9 structured still in the same way, with these teams?</p> <p>10 A In general, yes.</p> <p>11 Q What's the design team do?</p> <p>12 A The design team is creative group. So</p> <p>13 creating art, photography, creative for any variety</p> <p>14 of marketing activities.</p> <p>15 Q Brochures, the website?</p> <p>16 A Website, brochures. Other types of</p> <p>17 campaigns. Marketing campaigns.</p> <p>18 Q Do the webinars fall within that?</p> <p>19 A The design team would have a role to play</p> <p>20 in the webinars.</p> <p>21 Q For example, I see one individual on the</p> <p>22 design team is a senior multimedia producer. Do</p>	<p>75</p> <p>1 Lawson employs laptops that have demonstrations</p> <p>2 that can be presented for product functionality and</p> <p>3 features to customers?</p> <p>4 A I don't know if I would describe it that</p> <p>5 way, but that they have demo laptops.</p> <p>6 Q What's the purpose of the demo laptop, to</p> <p>7 your understanding?</p> <p>8 A My understanding is it is for use by our</p> <p>9 solution consultants in presentations to customer</p> <p>10 prospects to show how the product works.</p> <p>11 Q Do you know whether or not there is a</p> <p>12 customer demo for the M3 solution?</p> <p>13 A I believe there is.</p> <p>14 Q And how about for the S3 solution?</p> <p>15 A Yes.</p> <p>16 Q Like the webinar and the responses to</p> <p>17 RFPs and the brochures, is it Lawson's intent to</p> <p>18 have a demonstration that accurately depicts the</p> <p>19 features and functionality of the M3 and S3</p> <p>20 products?</p> <p>21 A Yes.</p> <p>22 Q Do you know whether or not those demos</p>
<p>74</p> <p>1 you have any idea what that would involve?</p> <p>2 A We -- yes.</p> <p>3 Q What would that be?</p> <p>4 A It would include things -- we create</p> <p>5 Flash presentations, Flash demos that we use as a</p> <p>6 part of our marketing activities.</p> <p>7 Q And then those are online presentations?</p> <p>8 A Wouldn't necessarily need to be.</p> <p>9 Q Could be just a Flash -- what do you mean</p> <p>10 when you use the term "Flash demo"?</p> <p>11 A Flash is basically a technology. And</p> <p>12 it's a technology that basically delivers almost</p> <p>13 like a video type presentation. Think of</p> <p>14 PowerPoint, only animated and in more of a video</p> <p>15 format. We use it as a part of our marketing</p> <p>16 activities, but it wouldn't necessarily be limited</p> <p>17 to online.</p> <p>18 Q Would that for example be a video type</p> <p>19 demonstration of the features and functionality of</p> <p>20 a product such as an M3 or an S3?</p> <p>21 A It could be.</p> <p>22 Q Are you aware that the sales force for</p>	<p>76</p> <p>1 also go through the legal review process?</p> <p>2 A I don't know.</p> <p>3 Q Those demos are not actually performing a</p> <p>4 procurement process, for example, when they're</p> <p>5 presented to potential customers, isn't that right?</p> <p>6 A I'm not following your question.</p> <p>7 Q Let me rephrase it. They're meant to be</p> <p>8 illustrative, not an actual functioning product,</p> <p>9 isn't that right?</p> <p>10 A I would say that's not entirely true.</p> <p>11 Q And why is that not entirely true?</p> <p>12 A My understanding is, in our</p> <p>13 demonstrations, in many cases we're demonstrating</p> <p>14 the actual live product in a demo environment.</p> <p>15 Q Let me see if I understand it, because I</p> <p>16 sort of view live product as distinct from</p> <p>17 demonstration. I kind of want to understand what</p> <p>18 you mean there. Do you mean that the salesperson</p> <p>19 can use a demo laptop to actually go through, in</p> <p>20 the sense of electronic procurement, the purchase</p> <p>21 of a good from a supplier to demonstrate its</p> <p>22 functionality?</p>

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<p>77</p> <p>1 A I don't know the answer to that.</p> <p>2 Q Who would, if you can think of a name?</p> <p>3 A At the highest level, I would say Mike</p> <p>4 Poling, our vice president of sales operations.</p> <p>5 Q It's Lawson's intention, though, to</p> <p>6 accurately depict the functionality of the product</p> <p>7 that's being demonstrated to the potential</p> <p>8 customer?</p> <p>9 A That's correct.</p> <p>10 Q If you'll look at the page 9 of Exhibit</p> <p>11 Number 1, it's entitled "Global Marketing Program,</p> <p>12 Toolbox Content."</p> <p>13 A Yes.</p> <p>14 Q And it's broken down into several boxes.</p> <p>15 I don't know exactly how it's organized. But, for</p> <p>16 example, and I think these are some of the things</p> <p>17 you talked about before, the toolbox for the</p> <p>18 marketing department is to conduct events such as</p> <p>19 seminars, breakfast meetings, and roundtable</p> <p>20 discussions, correct?</p> <p>21 A That's correct.</p> <p>22 Q And you also mentioned the webinars,</p>	<p>79</p> <p>1 A No.</p> <p>2 Q Where do you advertise, if you are going</p> <p>3 to do it?</p> <p>4 A Typically, if we do any advertising at</p> <p>5 all, it would be online, on different types of</p> <p>6 websites, industry websites, association websites;</p> <p>7 or in conjunction with a particular event, like say</p> <p>8 for example a trade show, if they have a</p> <p>9 publication that comes out in conjunction with a</p> <p>10 trade show, we might advertise just to indicate our</p> <p>11 presence at the event.</p> <p>12 Q Under the heading "Evidence," there were</p> <p>13 brochures, customer profiles, white papers and fact</p> <p>14 sheets. Do you see that?</p> <p>15 A Yes.</p> <p>16 Q We've spoken about the brochures and the</p> <p>17 white papers. What's a customer profile, sir?</p> <p>18 A Customer profile, another way to describe</p> <p>19 it would be a case study. It's essentially focused</p> <p>20 on an individual customer providing information.</p> <p>21 It can run the gamut, but essentially their</p> <p>22 relationship with Lawson, why they chose Lawson,</p>
<p>78</p> <p>1 correct?</p> <p>2 A That's correct.</p> <p>3 Q And we talked about trade shows, correct?</p> <p>4 A Correct.</p> <p>5 Q In each of these instances, again,</p> <p>6 Lawson's attempting to provide accurate information</p> <p>7 with respect to the functionality of the software</p> <p>8 products it's offering during these events, right?</p> <p>9 A Correct.</p> <p>10 Q There's a box entitled "Ongoing," do you</p> <p>11 see that?</p> <p>12 A Yes.</p> <p>13 Q You mentioned direct mailings. Is that</p> <p>14 the targeted marketing that goes to specific</p> <p>15 customers?</p> <p>16 A That's an example.</p> <p>17 Q And there are advertisements listed here.</p> <p>18 You said you do limited advertisement; is that</p> <p>19 right?</p> <p>20 A That's correct.</p> <p>21 Q Do you know what your budget was for</p> <p>22 fiscal year 2009 for advertising?</p>	<p>80</p> <p>1 what benefit they're getting from Lawson.</p> <p>2 Q And fact sheets, what would those be,</p> <p>3 sir?</p> <p>4 A Fact sheets are essentially baseline core</p> <p>5 information on our company and on our business</p> <p>6 units. Number of customers, etc.</p> <p>7 Q The sales toolkits box, do you see that?</p> <p>8 A Yes.</p> <p>9 Q What are PPTs, is that PowerPoints?</p> <p>10 A PowerPoint presentations, for short.</p> <p>11 Q Objection handling, what would that be?</p> <p>12 A Based on how I would interpret it is</p> <p>13 giving the salespeople essentially responses for</p> <p>14 different types of objections they may receive from</p> <p>15 prospects.</p> <p>16 Q What do you mean by "objections"? What</p> <p>17 are they?</p> <p>18 A An example would be, you're priced too</p> <p>19 high.</p> <p>20 Q I don't see here the demos that we were</p> <p>21 talking about just a few minutes ago. Do they fall</p> <p>22 under any bullet point here, or --</p>

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<p>81</p> <p>1 A Which demos are you referring to?</p> <p>2 Q The sales force demos that are utilized</p> <p>3 to show a potential customer the functionality of a</p> <p>4 particular software solution.</p> <p>5 A Correct. These are all marketing</p> <p>6 activities. That would fall under sales.</p> <p>7 Q That's all I have for that document, sir.</p> <p>8 We'll just collect a pile there.</p> <p>9 (Frank Exhibit Number 2 was marked for</p> <p>10 identification and attached to the deposition</p> <p>11 transcript.)</p> <p>12 BY MR. ROBERTSON:</p> <p>13 Q Let me hand you what I've marked as</p> <p>14 Exhibit Number 2. And why won't you take a minute</p> <p>15 just to peruse that, if you would.</p> <p>16 A Okay.</p> <p>17 Okay.</p> <p>18 Q Have you seen these types of documents</p> <p>19 before, this Lawson Software fiscal year business</p> <p>20 plan?</p> <p>21 A I have.</p> <p>22 Q Let me just put for the record, this is</p>	<p>83</p> <p>1 A There is.</p> <p>2 Q Was there one for fiscal year 2009?</p> <p>3 A Based on my knowledge, this is typically</p> <p>4 done on an annual basis now. I can speak to -- at</p> <p>5 least for the last two years there was a marketing</p> <p>6 section that was a part of the company business</p> <p>7 plan.</p> <p>8 Q You see this document is specifically</p> <p>9 directed to the ERP market. Why don't you take a</p> <p>10 look at page 2 -- or excuse me, page 3, Lawson</p> <p>11 strategy, total ERP market.</p> <p>12 A Okay.</p> <p>13 Q And it's relying on a Gartner Group study</p> <p>14 that indicated that worldwide ERP license fees for</p> <p>15 this market is approximately \$6 billion, do you see</p> <p>16 that? Second paragraph, starts "According to</p> <p>17 Gardner group."</p> <p>18 A I do.</p> <p>19 Q Is that consistent with your</p> <p>20 understanding of what the potential market is for</p> <p>21 ERP license fees annually worldwide?</p> <p>22 A I couldn't speak to that, given the time</p>
<p>82</p> <p>1 marked LE 00106758 through 795. And this one is</p> <p>2 for fiscal year 2008 through 2010. Do you see</p> <p>3 that?</p> <p>4 A Yes.</p> <p>5 Q Is this produced by the product</p> <p>6 management division?</p> <p>7 A Historically, yes.</p> <p>8 Q Does marketing have any input on these</p> <p>9 types of documents?</p> <p>10 A There is a broader -- I believe it's a</p> <p>11 part of this plan. I was looking to see if it was</p> <p>12 there or not. But there is typically a marketing</p> <p>13 section of the business plan.</p> <p>14 Q Why don't you take a look at the table of</p> <p>15 contents and tell me if you think there's any</p> <p>16 section in there that would come under the</p> <p>17 marketing --</p> <p>18 A In this particular plan, no.</p> <p>19 Q Do you know if there's another business</p> <p>20 plan for fiscal year 2008, 2009, or 2010 that has a</p> <p>21 marketing section that was contributed by your</p> <p>22 department?</p>	<p>84</p> <p>1 frame.</p> <p>2 Q Why don't you take a look at the page</p> <p>3 that ends with the Bates label 61. There are some</p> <p>4 observations that are being made. Do you see that?</p> <p>5 A Yes.</p> <p>6 Q And if you refer back, I believe this</p> <p>7 information comes from this Gartner report that's</p> <p>8 being referenced here.</p> <p>9 A I believe that is the case, yes.</p> <p>10 Q The first bullet point says, "78 percent</p> <p>11 of the ERP market is in western Europe and the</p> <p>12 United States." Do you see that?</p> <p>13 A Yes.</p> <p>14 Q Is that consistent with your</p> <p>15 understanding of how the market breakdown is for</p> <p>16 ERP?</p> <p>17 A Generally speaking, yes.</p> <p>18 Q Is it also your understanding that the</p> <p>19 United States represents the largest market for a</p> <p>20 single cost of entry?</p> <p>21 A That's really beyond my scope of</p> <p>22 knowledge.</p>

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<p>85</p> <p>1 Q You did indicate, though, that you found</p> <p>2 the Gartner reports to be of general reliability</p> <p>3 for the information contained therein; is that</p> <p>4 right?</p> <p>5 A I believe what I stated is Lawson as a</p> <p>6 company typically uses Gartner more than any other</p> <p>7 industry analyst.</p> <p>8 Q Is that because you find Gartner to be</p> <p>9 more reliable than the other industry analysts?</p> <p>10 A Generally speaking, yes.</p> <p>11 Q The next page has a heading, "Lawson</p> <p>12 Geographic Strategy." Are you with me?</p> <p>13 A Yes.</p> <p>14 Q And the first sentence states that</p> <p>15 "Lawson's geographic focus is complex." Do you see</p> <p>16 that?</p> <p>17 A Yes.</p> <p>18 Q And then we're talking about these M3 and</p> <p>19 S3 ERP solutions. Do you see that?</p> <p>20 A Yes.</p> <p>21 Q Is it true for the fiscal year 2008</p> <p>22 through 2009 that the highest growth potential are</p>	<p>87</p> <p>1 industry have high growth potential?</p> <p>2 A Healthcare, public sector and strategic</p> <p>3 human capital management.</p> <p>4 Q Let's specifically go to the report for</p> <p>5 healthcare, which begins at page Bates labeled 68</p> <p>6 at the bottom. It's page 11 I believe of the</p> <p>7 document.</p> <p>8 A Okay.</p> <p>9 Q So is it accurate that for healthcare,</p> <p>10 the lead product line is S3 financials?</p> <p>11 A That is not accurate today.</p> <p>12 Q What is it today?</p> <p>13 A Today it would be human capital</p> <p>14 management.</p> <p>15 Q That's the HCM there, right?</p> <p>16 A Correct.</p> <p>17 Q Materials management, is that part of the</p> <p>18 Supply Chain Management?</p> <p>19 A Yes.</p> <p>20 Q When this report was generated in 2006,</p> <p>21 there were approximately 460 customers for</p> <p>22 healthcare; is that right?</p>
<p>86</p> <p>1 the countries listed there?</p> <p>2 A This would be in the past. Again, this</p> <p>3 document is dated 2006. So it was based on the</p> <p>4 market in 2006. So I believe at that time that</p> <p>5 would have been the perception.</p> <p>6 Q Has the reality changed from the</p> <p>7 perception in 2006, to your knowledge?</p> <p>8 A In some cases it may have.</p> <p>9 Q Has the United States had high growth</p> <p>10 potential from 2006 in the M3 ERP solution?</p> <p>11 A I can't speak to that, because I don't</p> <p>12 know what we're measuring it against.</p> <p>13 Q The next full -- actually the last</p> <p>14 paragraph on the page says, "Lawson also has</p> <p>15 several countries with a high number of installed</p> <p>16 customers." Do you see that?</p> <p>17 A Yes.</p> <p>18 Q Is it true that with respect to the</p> <p>19 United States, that S3 is one of those countries?</p> <p>20 A It depends on the business units in the</p> <p>21 industry.</p> <p>22 Q What particular business units in the S3</p>	<p>88</p> <p>1 A At that time.</p> <p>2 Q Is the number higher or lower now?</p> <p>3 A Higher.</p> <p>4 Q Do you know approximately what it is?</p> <p>5 A Between 500 and 550.</p> <p>6 Q Under sample customers, there's a series</p> <p>7 of line items that involve license fees,</p> <p>8 maintenance, services and contracting. Do you see</p> <p>9 that?</p> <p>10 A I do.</p> <p>11 Q It's fair to say that for a product such</p> <p>12 as S3, Lawson generates revenues for all four of</p> <p>13 those categories, isn't that right?</p> <p>14 A Yes.</p> <p>15 Q So for example, when Lawson obtains a</p> <p>16 contract for a new customer for S3, there's an</p> <p>17 initial licensing component revenue that's created,</p> <p>18 that's generated?</p> <p>19 A That's correct.</p> <p>20 Q And then there is fees associated with</p> <p>21 maintaining the operations of that software</p> <p>22 solution, in this case S3, for that particular</p>

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<p>89</p> <p>1 customer, correct?</p> <p>2 A That's correct.</p> <p>3 Q And there are also services that are</p> <p>4 associated that are provided to the customer with</p> <p>5 respect to the S3 product, correct?</p> <p>6 A In some cases.</p> <p>7 Q And Lawson generates revenues for</p> <p>8 providing services with respect to the S3 product</p> <p>9 as indicated here in Exhibit 2, correct?</p> <p>10 A That's correct.</p> <p>11 Q There's also a line item for contracting.</p> <p>12 What do you understand the revenues associated with</p> <p>13 contracting to concern?</p> <p>14 A My understanding, the way I would</p> <p>15 describe it, is contracting is essentially a subset</p> <p>16 of the license fees. It is the -- when we first</p> <p>17 sign a contract with a customer, it's recognized as</p> <p>18 license contracting, and then it goes through a</p> <p>19 revenue recognition process. It's considered</p> <p>20 license contracting until it transfers or</p> <p>21 translates to revenue. So it would be a subset of</p> <p>22 the license fees.</p>	<p>91</p> <p>1 Lawson enjoys revenues from licensing, maintenance</p> <p>2 and servicing?</p> <p>3 A Not necessarily.</p> <p>4 Q Would there be any instances where Lawson</p> <p>5 just received license fees and no maintenance fees?</p> <p>6 A Initially, no. Maintenance is typically</p> <p>7 required. But over the course of time a customer</p> <p>8 may choose to drop maintenance.</p> <p>9 Q At least for fiscal year 2006 in the</p> <p>10 healthcare industry, it would appear that the main</p> <p>11 source of revenue was maintenance fees, isn't that</p> <p>12 right?</p> <p>13 A Looking at these numbers, yes, that's the</p> <p>14 way I would interpret it.</p> <p>15 Q In fact it's almost three times as large</p> <p>16 as the license fees that were realized from sales</p> <p>17 to the healthcare industry in 2006, correct?</p> <p>18 A That's correct.</p> <p>19 Q Who at the company would be most</p> <p>20 knowledgeable about the breakdown of the revenues</p> <p>21 that are associated with the S3 product? Let's</p> <p>22 start with that.</p>
<p>90</p> <p>1 Q Just so I understand, then, are we --</p> <p>2 with respect to the \$11.6 million that's identified</p> <p>3 here as contracting, is that a subset of the \$24.4</p> <p>4 million that are the license fees?</p> <p>5 A That's the way I would interpret it.</p> <p>6 Q Do you know what the "1H'07" stands for</p> <p>7 next to the contracting item?</p> <p>8 A First year -- or first half fiscal year</p> <p>9 '07.</p> <p>10 Q If the contracting is the initial fee</p> <p>11 that's associated with a new customer that's</p> <p>12 licensed a product, is it listed here as just the</p> <p>13 first half of '07 because it hasn't been rolled up</p> <p>14 into the fiscal year for the license fee?</p> <p>15 A I'm not quite sure how I would interpret</p> <p>16 it in this particular case.</p> <p>17 Q But at least with respect to an S3</p> <p>18 product, Lawson enjoys revenue streams from</p> <p>19 licensing, maintenance, and servicing, correct?</p> <p>20 A That's correct.</p> <p>21 Q And would that be consistent with respect</p> <p>22 to each customer that licenses the S3 product, that</p>	<p>92</p> <p>1 A I really can't name one, one individual.</p> <p>2 Q What division would it fall within?</p> <p>3 Sales?</p> <p>4 A Actually if you're looking purely at the</p> <p>5 numbers, it would probably be within our finance</p> <p>6 organization.</p> <p>7 Q And would the same be true for M3?</p> <p>8 A Yes.</p> <p>9 Q If you turn the page, and I don't want to</p> <p>10 belabor this, the next two pages discuss the</p> <p>11 fashion and food and beverage, do you see that?</p> <p>12 A Yes.</p> <p>13 Q And I believe you indicated earlier that</p> <p>14 M3 is the product that's directed to these industry</p> <p>15 sectors, correct?</p> <p>16 A Fashion, food and beverage, that's</p> <p>17 correct.</p> <p>18 Q And would you agree with me that it</p> <p>19 similarly shows that revenues are generated from</p> <p>20 the product for license fees, maintenance fees,</p> <p>21 servicing, and contracting for both these industry</p> <p>22 sectors? Correct?</p>

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<p>93</p> <p>1 A That's correct.</p> <p>2 Q Just flipping the page, again, the same</p> <p>3 is true for wholesale distribution and service and</p> <p>4 rental, correct?</p> <p>5 A That is correct.</p> <p>6 Q And then you also mention the public</p> <p>7 sector, which was a customer of the S3 product, do</p> <p>8 you see that? I'm sorry, I'm referring to page 16</p> <p>9 of the document, it ends with the Bates label 73.</p> <p>10 A I do. At that time public sector was</p> <p>11 called government and education.</p> <p>12 Q And one of the lead product lines for the</p> <p>13 S3 for government and education listed here, now</p> <p>14 called the public sector, is Procurement, correct?</p> <p>15 A I don't know if I would characterize it</p> <p>16 as lead product. But it is one of the products</p> <p>17 that we sell into public sector.</p> <p>18 Q And again, licensing fees, maintenance,</p> <p>19 servicing, and contracting are all associated with</p> <p>20 that product offered to the public sector, correct?</p> <p>21 A That's correct.</p> <p>22 Q If you turn to the page that ends with</p>	<p>95</p> <p>1 A That's correct.</p> <p>2 Q If you'll turn to the next page, sir,</p> <p>3 that ends with the Bates label 77, you'll see</p> <p>4 there's a chart there under the heading "S3 Add-on</p> <p>5 Application Modules."</p> <p>6 A Yes.</p> <p>7 Q And there are it looks like some industry</p> <p>8 sectors that we've talked about like healthcare and</p> <p>9 retail at the top. Do you see that?</p> <p>10 A I do.</p> <p>11 Q Do you recall that with respect to</p> <p>12 healthcare, the document identified at the time</p> <p>13 that there were 460 customers? Is that correct?</p> <p>14 A That's correct.</p> <p>15 Q So that number appears to correlate to</p> <p>16 the number of customers in this particular sector,</p> <p>17 do you see that?</p> <p>18 A I do.</p> <p>19 Q And there's a summary, it appears, in the</p> <p>20 last column for the total customers, correct?</p> <p>21 A I'm not sure where you're looking.</p> <p>22 Q There are four columns: Healthcare,</p>
<p>94</p> <p>1 the Bates label 76 of Exhibit Number 2, there's a</p> <p>2 heading there, "Customer Add-on Modules Strategy."</p> <p>3 A Yes.</p> <p>4 Q Do you have an understanding as to what</p> <p>5 this add-on modules strategy is?</p> <p>6 A I would have to take a look at it.</p> <p>7 Q Take a minute.</p> <p>8 A Okay.</p> <p>9 Q So can you answer my question now?</p> <p>10 A Could you restate the question?</p> <p>11 Q Sure. Do you have an understanding as to</p> <p>12 what the add-on modules strategy is?</p> <p>13 A I do.</p> <p>14 Q What is that, sir?</p> <p>15 A At a high level, it's essentially looking</p> <p>16 for opportunities in our existing customer base to</p> <p>17 sell products that the customers don't currently</p> <p>18 have.</p> <p>19 Q These are additional software solutions?</p> <p>20 A That is correct.</p> <p>21 Q And they could be added to the existing</p> <p>22 S3 or M3 software applications?</p>	<p>96</p> <p>1 retail, other, and total.</p> <p>2 A Oh, yes. I see that.</p> <p>3 Q And it appears that the numbers at the</p> <p>4 top add up to the total customers of 1,706?</p> <p>5 A That's correct.</p> <p>6 Q And it appears that one of the add-on</p> <p>7 application modules for S3 involves supply chain</p> <p>8 management. Do you see that?</p> <p>9 A I do.</p> <p>10 Q Is this talking about the opportunity to</p> <p>11 add those types of modules to the existing S3</p> <p>12 customer base?</p> <p>13 A That is my understanding.</p> <p>14 Q And so it's a projection, then, as to</p> <p>15 what the potential is of adding a specific add-on</p> <p>16 module to an existing customer S3 application,</p> <p>17 right?</p> <p>18 A It's the maximum opportunity, customers</p> <p>19 who don't have those particular products.</p> <p>20 Q Okay. So just for example in Supply</p> <p>21 Chain Management, the total there of the</p> <p>22 opportunity in your words is 759 potential add-ons</p>

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<p>1 of a total customer base of 1706; is that fair to</p> <p>2 say?</p> <p>3 A That is correct.</p> <p>4 Q So then can we deduce from that that the</p> <p>5 majority of the total customers already have Supply</p> <p>6 Chain Management module as part of their S3</p> <p>7 solution that they've licensed?</p> <p>8 A I would interpret it as that they have</p> <p>9 some component of Supply Chain Management, yes.</p> <p>10 Q And one of the components listed here</p> <p>11 is -- well, let me just go through them.</p> <p>12 There's -- Requisitions Self-Service is a component</p> <p>13 of the Supply Chain Management?</p> <p>14 A Is that a question?</p> <p>15 Q Yes.</p> <p>16 A Yes, it is.</p> <p>17 Q And there's also a Procurement Punchout</p> <p>18 software module that can be added on.</p> <p>19 A Yes.</p> <p>20 Q Vendor Self-Service, what's that?</p> <p>21 A I'm not directly familiar with the</p> <p>22 product. But in general it allows the vendors to</p>	<p>1 A Licensed, yes.</p> <p>2 Q What I deduce from this chart is that</p> <p>3 someone is tracking which applications of S3 a</p> <p>4 specific customer has.</p> <p>5 A That's correct.</p> <p>6 Q I deduce that because someone has figured</p> <p>7 out there is potential for additional add-on</p> <p>8 modules for S3 applications that the customer</p> <p>9 doesn't currently have.</p> <p>10 A That's correct.</p> <p>11 Q Who would be the person or persons at</p> <p>12 Lawson who could specifically tell us, for example,</p> <p>13 if a customer had a Supply Chain Management</p> <p>14 solution as part of their S3 license?</p> <p>15 A There are -- I would say there are a</p> <p>16 variety of people. That data is tracked really in</p> <p>17 two different places. Obviously it's a part of the</p> <p>18 contract with the customer. It's also tracked</p> <p>19 within our customer relationship management</p> <p>20 product, which is Salesforce.com.</p> <p>21 Q Can someone run a query against the</p> <p>22 shared drive of Lawson's database to generate a</p>
<p>1 communicate back and forth with the customer using</p> <p>2 Lawson.</p> <p>3 Q And there's EDI for SCM, do you see that?</p> <p>4 A Yes.</p> <p>5 Q Do you know what EDI stands for?</p> <p>6 A Electronic data interchange.</p> <p>7 Q And SCM is Supply Chain Management?</p> <p>8 A That is correct.</p> <p>9 Q And EDI is the method by which vendors</p> <p>10 and potential purchasers communicate their data</p> <p>11 over a network, isn't that right?</p> <p>12 A Yes. It's essentially a standard form of</p> <p>13 data communication.</p> <p>14 Q Would there be documentation within the</p> <p>15 company that would be able to identify every</p> <p>16 customer of the S3 or M3 Supply Chain Management</p> <p>17 tools? Do you want me to restate that question?</p> <p>18 Does the company have documentation that would do a</p> <p>19 breakdown of the software solutions that are</p> <p>20 offered to a specific customer for S3 or M3?</p> <p>21 A Offered, or licensed?</p> <p>22 Q Licensed.</p>	<p>1 report as to each specific customer that had an S3</p> <p>2 or M3 solution that involved supply chain</p> <p>3 management?</p> <p>4 A I don't know the answer to that.</p> <p>5 Q But someone maintains data with respect</p> <p>6 to which customers have Supply Chain Management as</p> <p>7 part of their S3 or M3 solution, correct?</p> <p>8 A Yes.</p> <p>9 Q In fact someone must have accessed that</p> <p>10 data in order to be able to create the potential</p> <p>11 for add-on application modules that are depicted in</p> <p>12 this chart, right?</p> <p>13 A Yes.</p> <p>14 MR. ROBERTSON: I don't know if such a</p> <p>15 query has been done. I'm going to get to a</p> <p>16 customer list I think I have later, and maybe the</p> <p>17 witness can answer questions as to how that was</p> <p>18 generated, or maybe that's for another person on</p> <p>19 another day. But we'll -- obviously it's the kind</p> <p>20 of information we're going to be seeking. So I'm</p> <p>21 just giving you a heads-up on that.</p> <p>22 BY MR. ROBERTSON:</p>

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<p>101</p> <p>1 Q Let me ask you a question. With respect</p> <p>2 to these potential for add-on modules, is there</p> <p>3 somebody who actually can price what the module</p> <p>4 would cost to the customer if it were added onto an</p> <p>5 S3 solution?</p> <p>6 A That would typically or would always be</p> <p>7 done as part of a sales process, a sales</p> <p>8 engagement.</p> <p>9 Q Is that a way of saying it varies by</p> <p>10 customer?</p> <p>11 A Potentially.</p> <p>12 Q Can you turn to the next page, which ends</p> <p>13 with 78. There's an "M3 Add-on Application</p> <p>14 Modules."</p> <p>15 A Okay.</p> <p>16 Q And again, are we talking here in this</p> <p>17 chart about the potential for add-on modules to</p> <p>18 existing M3 customers?</p> <p>19 A I'm just going to take a look at it a</p> <p>20 little closer.</p> <p>21 Q Sure.</p> <p>22 A The idea is generally the same. The</p>	<p>103</p> <p>1 for a moment. And for the record, while you're</p> <p>2 doing that, let me identify the document as a CEO</p> <p>3 weekly executive meeting dated Tuesday, May 5,</p> <p>4 2009, that has the Bates label LE 00110144 through</p> <p>5 62. It says "Fourth Quarter Fiscal 2009" on the</p> <p>6 first page. Let me know when you've finished</p> <p>7 perusing the document.</p> <p>8 A I have.</p> <p>9 Q Have you seen documents of this type</p> <p>10 before, sir?</p> <p>11 A I have.</p> <p>12 Q Do you know what the purpose of this</p> <p>13 document is?</p> <p>14 A Generally speaking, the purpose of the</p> <p>15 document is to provide a rollup of reports from the</p> <p>16 various departments, business units within the</p> <p>17 organization to the senior leadership group.</p> <p>18 Q How often is the rollup done? On a</p> <p>19 quarterly basis?</p> <p>20 A For this particular report, it's a weekly</p> <p>21 basis.</p> <p>22 Q So once a week the CEO gets a rollup of</p>
<p>102</p> <p>1 difference, I believe, looking at it, is the</p> <p>2 numbers you see here are not the opportunity, but</p> <p>3 the existing customers who have the product. So</p> <p>4 it's just the opposite.</p> <p>5 Q I see. So from this chart it looks that</p> <p>6 there are 26 customers using the e-Procurement</p> <p>7 solution available with the M3 product?</p> <p>8 A That's the way I'm interpreting the</p> <p>9 table.</p> <p>10 Q And it seems across the board that there</p> <p>11 is -- it's used by food and beverage, fashion,</p> <p>12 distribution, discrete, process and asset --</p> <p>13 A Intensive.</p> <p>14 Q Intensive. Is that what the chart</p> <p>15 depicts?</p> <p>16 A Yes.</p> <p>17 Q That's all I have on that document, sir.</p> <p>18 (Frank Exhibit Number 3 was marked for</p> <p>19 identification and retained by counsel.)</p> <p>20 BY MR. ROBERTSON:</p> <p>21 Q I hand you what I've marked as Exhibit</p> <p>22 Number 3. I ask if you would take a look at that</p>	<p>104</p> <p>1 various financial information that's occurred for</p> <p>2 the prior week?</p> <p>3 A It would be typically -- yes. That's</p> <p>4 accurate.</p> <p>5 Q Because -- let's just take a look at the</p> <p>6 page that has the Bates label that ends 46. It's</p> <p>7 page 3 of 19 of the document.</p> <p>8 A Okay.</p> <p>9 Q And this chart here is entitled Lawson</p> <p>10 Software fiscal '09 fourth quarter forecasted</p> <p>11 results. Do you see that?</p> <p>12 A I do.</p> <p>13 Q Is this a prediction of the revenues that</p> <p>14 will be realized in the fourth quarter of fiscal</p> <p>15 year '09, or are these revenues that have been --</p> <p>16 are expected to be received during that fourth</p> <p>17 quarter?</p> <p>18 A My understanding is it would be a</p> <p>19 combination. So it would be a combination of what</p> <p>20 was forecasted or budgeted for the quarter, and</p> <p>21 then results to date, progress to date.</p> <p>22 Q And help me, how can I tell that from</p>

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<p>105</p> <p>1 this document, that it includes both forecasted and</p> <p>2 results or progress to date?</p> <p>3 A I'm not the best person to interpret the</p> <p>4 financial columns. But in general, forecast would</p> <p>5 be forecast of a record; second column would be</p> <p>6 what the forecasts or budget for the quarter would</p> <p>7 be; last week would be essentially where the</p> <p>8 organization was at at that point.</p> <p>9 Q This chart doesn't break down by product;</p> <p>10 is that fair to say?</p> <p>11 A I believe that is correct.</p> <p>12 Q It's talking about contracting and</p> <p>13 license fees and maintenance and services fees</p> <p>14 associated with a multitude of products; is that</p> <p>15 right?</p> <p>16 A Correct.</p> <p>17 Q Can you take a look at page 9 of 19 of</p> <p>18 Exhibit Number 3. And you'll see two charts there</p> <p>19 for the S3 markets by sales stage and the M3</p> <p>20 markets by sales stage.</p> <p>21 A Yes.</p> <p>22 Q And it's a color coded chart, correct?</p>	<p>107</p> <p>1 potential, I take it?</p> <p>2 A That's correct.</p> <p>3 Q And these numbers at the bottom that you</p> <p>4 see here, 10,000, 6900, on market rollup, are those</p> <p>5 actuals, or are those in thousands of dollars?</p> <p>6 A I can't say for sure. I don't believe</p> <p>7 them to be actuals.</p> <p>8 Q It would be a little light, wouldn't it?</p> <p>9 A Yes.</p> <p>10 Q If you take a look at the page that's</p> <p>11 marked 11 of 19 of Exhibit Number 3, this executive</p> <p>12 meeting report.</p> <p>13 A Okay.</p> <p>14 Q There's an S3 cash receipts.</p> <p>15 A Yes.</p> <p>16 Q For fourth quarter of fiscal year '09.</p> <p>17 Do you see that?</p> <p>18 A I do.</p> <p>19 Q I just want to understand, why is it that</p> <p>20 that first column indicates the cash receipts are</p> <p>21 for March through May? Why would that be part of</p> <p>22 the fourth quarter fiscal year '09?</p>
<p>106</p> <p>1 A That's correct.</p> <p>2 Q And there are several bars that are color</p> <p>3 coded. For S3 there's a bar for healthcare,</p> <p>4 service industry, public sector, SHCM, and then</p> <p>5 there's a total. Do you see that?</p> <p>6 A I do.</p> <p>7 Q What's SHCM?</p> <p>8 A Strategic human capital management.</p> <p>9 Q And just so I understand this chart,</p> <p>10 orange indicates the percentage of the sales that</p> <p>11 have actually been closed or won?</p> <p>12 A That would be my interpretation as well.</p> <p>13 Q So this is actually, if you look at the</p> <p>14 various colors that are indicated, this is</p> <p>15 indicating, like the document in general, both</p> <p>16 actual and potential sales; is that right?</p> <p>17 A Completed and potential, correct.</p> <p>18 Q Because some of them talk about "We have</p> <p>19 a qualified lead," and others have a qualified</p> <p>20 sales pursuit. Do you see that?</p> <p>21 A I do.</p> <p>22 Q Those would fall under the rubric of</p>	<p>108</p> <p>1 A Our -- because of our fiscal year.</p> <p>2 Lawson's fiscal year runs June to May.</p> <p>3 Q I see.</p> <p>4 A So May is the end of our fiscal year, Q4.</p> <p>5 Q Okay. And so this has your projections</p> <p>6 and your actuals that were received, is that right,</p> <p>7 for the S3 cash receipts for that quarter?</p> <p>8 A Yes. But this is specific to</p> <p>9 maintenance.</p> <p>10 Q And how do you know that, sir?</p> <p>11 A I'm looking up at the top of the upper</p> <p>12 left hand corner, where it says "Maintenance</p> <p>13 Revenue."</p> <p>14 Q Would we expect to find a similar chart</p> <p>15 with respect to licensing and perhaps servicing?</p> <p>16 A I don't know the answer to that.</p> <p>17 Q Does the marketing group have any input</p> <p>18 on this weekly CEO report?</p> <p>19 A It does.</p> <p>20 Q What's the nature of that involvement?</p> <p>21 A If you turn to page 12 of 19, you will</p> <p>22 see the marketing report. This is actually the</p>

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<p>109</p> <p>1 report I referenced earlier this morning.</p> <p>2 Q Do you have principal responsibility for</p> <p>3 providing information with respect to the Americas</p> <p>4 in this report?</p> <p>5 A That's correct.</p> <p>6 Q Do you know how long Lawson has been</p> <p>7 generating reports of this nature?</p> <p>8 A Not precisely.</p> <p>9 Q As long as you've been vice president of</p> <p>10 marketing, since 2007?</p> <p>11 A I can't say for sure.</p> <p>12 Q More than the last fiscal year?</p> <p>13 A Yes.</p> <p>14 Q That's all I have for that document, sir.</p> <p>15 (Frank Exhibit Number 4 was marked for</p> <p>16 identification and attached to the deposition</p> <p>17 transcript.)</p> <p>18 BY MR. ROBERTSON:</p> <p>19 Q I'll show you what I've marked as Exhibit</p> <p>20 Number 4. I'll ask you to take a moment to peruse</p> <p>21 that. For the record, let me indicate that it's a</p> <p>22 document that's entitled "Lawson Indirect</p>	<p>111</p> <p>1 e-Procurement helps to make the purchasing process</p> <p>2 faster and smoother and enables," colon, then</p> <p>3 there's a number of bullet points; is that correct?</p> <p>4 A That's correct.</p> <p>5 Q And this is the content that you had</p> <p>6 indicated earlier that Lawson makes every effort to</p> <p>7 make sure is as accurate as possible, right?</p> <p>8 A That is correct.</p> <p>9 Q What is meant by "indirect purchasing,"</p> <p>10 in contradistinction to direct purchasing, if you</p> <p>11 know?</p> <p>12 A I do not know.</p> <p>13 Q Would part of this indirect procurement</p> <p>14 process -- I'm looking at the first sentence of the</p> <p>15 first paragraph. It automates the steps of</p> <p>16 requisitioning and authorization, correct?</p> <p>17 A To the -- I basically would just be</p> <p>18 stating what's in the document.</p> <p>19 Q I just want to know if this Procurement,</p> <p>20 if that's consistent with your understanding of the</p> <p>21 procurement process, that the M3 Procurement</p> <p>22 product that's offered automates the steps of</p>
<p>110</p> <p>1 Purchasing, a Competitive Advantage." And it has</p> <p>2 the Bates label of ePlus 0240737 through 739.</p> <p>3 Does this appear to be a printout of a</p> <p>4 web page from the Lawson.com website?</p> <p>5 A Yes, it does.</p> <p>6 Q And is this the type of content you were</p> <p>7 talking about earlier that marketing would generate</p> <p>8 for incorporation into the information that's</p> <p>9 available at the website?</p> <p>10 A Yes.</p> <p>11 Q In this particular web page, we're</p> <p>12 talking about this electronic procurement or</p> <p>13 e-Procurement solution, correct?</p> <p>14 A That is correct.</p> <p>15 Q You see the heading that is entitled</p> <p>16 "Simply put" -- the paragraph, I'm sorry, that</p> <p>17 begins "Simply put"?</p> <p>18 A I'm not seeing it.</p> <p>19 Q It's the third paragraph down under</p> <p>20 the --</p> <p>21 A Okay. Yes.</p> <p>22 Q It's saying here, "Simply put, Lawson M3</p>	<p>112</p> <p>1 requisitioning and authorizing.</p> <p>2 A That's correct.</p> <p>3 Q And it also automates the steps through</p> <p>4 generation and transmission of a purchase order as</p> <p>5 well, correct?</p> <p>6 A Correct.</p> <p>7 Q And the product also automates the</p> <p>8 invoicing and payment during the process, correct?</p> <p>9 A That is correct.</p> <p>10 Q You don't have -- do you have any reason</p> <p>11 to take issue with any of the statements that are</p> <p>12 made here as to the functionality of the automated</p> <p>13 procurement process for the M3 e-Procurement</p> <p>14 solution?</p> <p>15 A I do not.</p> <p>16 Q One of the bullet points under the</p> <p>17 heading that was "Simply put," if I can direct you</p> <p>18 back to that paragraph, which says, "The M3</p> <p>19 e-Procurement helps make the process faster,</p> <p>20 smoother, and enables," I just want to direct you</p> <p>21 to a couple of those bullet points. Do you see</p> <p>22 that?</p>

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<p>113</p> <p>1 A Yes.</p> <p>2 Q The third bullet point down says that the</p> <p>3 Lawson M3 e-Procurement solution helps suppliers or</p> <p>4 enables suppliers "to manage and upload product and</p> <p>5 services catalogue content." Do you see that?</p> <p>6 A I do.</p> <p>7 Q And that's an accurate statement,</p> <p>8 correct?</p> <p>9 A Again, I can't speak to it directly.</p> <p>10 Q You have no reason to believe that that's</p> <p>11 inaccurate information, do you?</p> <p>12 A I do not.</p> <p>13 MR. ROBERTSON: That's all I have for</p> <p>14 that document, sir. I understand we have to change</p> <p>15 the tape, so why don't we take a five-minute recess</p> <p>16 again, if you like.</p> <p>17 THE WITNESS: Great.</p> <p>18 THE VIDEOGRAPHER: This marks the end of</p> <p>19 tape number 1 in the deposition of Mr. Frank.</p> <p>20 We're going off the record. The time is 11:44 a.m.</p> <p>21 (Recess.)</p> <p>22 (Frank Exhibit Number 5 was marked for</p>	<p>115</p> <p>1 basis when it's licensed; is that right?</p> <p>2 A That's correct.</p> <p>3 Q The maintenance fees, those are fees that</p> <p>4 Lawson charges to make sure that the software is</p> <p>5 operating properly and maintained and functional;</p> <p>6 is that fair to say?</p> <p>7 A I wouldn't describe it quite that way.</p> <p>8 Q How would you describe maintenance</p> <p>9 revenue?</p> <p>10 A There's really two components to</p> <p>11 maintenance. So one is ongoing support. So when</p> <p>12 customers have questions, run into issues, need</p> <p>13 questions answered around the use of the software,</p> <p>14 they'll call our help desk. So it's access to help</p> <p>15 desk and support. The other aspect of it is the</p> <p>16 ongoing development of the product that comes in</p> <p>17 the form of patches and fixes and new versions of</p> <p>18 the product.</p> <p>19 Q Upgrades?</p> <p>20 A Upgrades, correct.</p> <p>21 Q And there are revenues associated with</p> <p>22 upgrades or patches, correct?</p>
<p>114</p> <p>1 identification and attached to the deposition</p> <p>2 transcript.)</p> <p>3 THE VIDEOGRAPHER: This marks the</p> <p>4 beginning of tape number 2 in the deposition of</p> <p>5 Mr. Frank. We're now back on the record. The time</p> <p>6 is 11:50 a.m.</p> <p>7 BY MR. ROBERTSON:</p> <p>8 Q During the break I handed you a document</p> <p>9 that I've marked as Exhibit Number 5. But before</p> <p>10 we get to that, Mr. Frank, I wanted to go back to</p> <p>11 the issue of the revenue streams that were</p> <p>12 associated with the Lawson products. In particular</p> <p>13 we looked at that one document, revenue streams</p> <p>14 associated with S3 and M3, do you recall that?</p> <p>15 A Yes.</p> <p>16 Q And from memory, I believe it was</p> <p>17 licensing, maintenance, servicing, and contracting.</p> <p>18 Is that right?</p> <p>19 A That is correct.</p> <p>20 Q License fees I think I understand. Those</p> <p>21 are the fees that are associated with providing the</p> <p>22 product to a new customer or probably on an annual</p>	<p>116</p> <p>1 A In some cases.</p> <p>2 Q How about training? Does Lawson derive</p> <p>3 any revenue from training their customers on how to</p> <p>4 use the software solutions such as M3 and S3?</p> <p>5 A It does.</p> <p>6 Q Where would training fall within those</p> <p>7 four categories we were talking about, licensing,</p> <p>8 maintenance, servicing, and contracting?</p> <p>9 A It would fall under services.</p> <p>10 Q There's a 24/7 online availability to</p> <p>11 customers who have questions or problems associated</p> <p>12 with their software solutions such as M3 and S3,</p> <p>13 correct?</p> <p>14 A I believe that is the case. I can't say</p> <p>15 for sure.</p> <p>16 Q Do you know whether or not Lawson charges</p> <p>17 for that service?</p> <p>18 A I can't say.</p> <p>19 Q How about, do they have call-in numbers</p> <p>20 that people can call in if they have problems with</p> <p>21 their operational functionality of the solution?</p> <p>22 A We do.</p>

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<p>117</p> <p>1 Q Does Lawson charge for those services?</p> <p>2 A As a part of the maintenance -- it's part</p> <p>3 of the maintenance package.</p> <p>4 Q How about the actual implementation or</p> <p>5 installation of the software for a customer? Are</p> <p>6 there revenues that Lawson derives from that?</p> <p>7 A Potentially.</p> <p>8 Q Would that fall under the heading of</p> <p>9 services?</p> <p>10 A That's correct.</p> <p>11 Q Does Lawson charge for any consulting</p> <p>12 services that it provides with respect to these ERP</p> <p>13 software solutions we've been talking about?</p> <p>14 A It may, yes.</p> <p>15 Q What bucket would we put the consulting</p> <p>16 services in under revenues?</p> <p>17 A Services.</p> <p>18 Q Let's take a look at Exhibit Number 5,</p> <p>19 which appears to be a printout from the Lawson</p> <p>20 website entitled "Procurement," bearing Bates label</p> <p>21 ePlus 0241023 through 028. Have you had a chance</p> <p>22 to just peruse that?</p>	<p>119</p> <p>1 department and legal, correct?</p> <p>2 A Vetted by product management and legal,</p> <p>3 correct.</p> <p>4 Q But you're responsible for the content,</p> <p>5 your department, marketing?</p> <p>6 A Our department is responsible for</p> <p>7 ultimately generating and posting the content.</p> <p>8 Q So the requisition functionality of this</p> <p>9 procurement process simplifies the process of</p> <p>10 creating a routing purchase request, correct?</p> <p>11 A Based on what it says on the website,</p> <p>12 that's correct.</p> <p>13 Q You have no reason to doubt that, right?</p> <p>14 A I do not.</p> <p>15 Q There's a heading for inventory control.</p> <p>16 Do you see that?</p> <p>17 A Yes.</p> <p>18 Q Do you know whether or not the</p> <p>19 Procurement solution for this S3 Supply Chain</p> <p>20 Management has the capability of being able to</p> <p>21 determine whether a product that has been requested</p> <p>22 by a buyer is actually available in the vendor's</p>
<p>118</p> <p>1 A I have.</p> <p>2 Q So this is an e-Procurement solution</p> <p>3 we've been talking about as part of the S3 Supply</p> <p>4 Chain Management; is that right?</p> <p>5 A I wouldn't say e-Procurement</p> <p>6 specifically, but procurement generally.</p> <p>7 Q Well, does Lawson offer a procurement</p> <p>8 solution that's not software-based?</p> <p>9 A It does not.</p> <p>10 Q If you see at the top, there seems to be</p> <p>11 a series of kind of a drill-down of the pages to</p> <p>12 get to this particular page. We started at the</p> <p>13 home, went through software, S3 Supply Chain</p> <p>14 Management Solutions and Procurement, correct?</p> <p>15 A That's correct.</p> <p>16 Q So this particular procurement page is</p> <p>17 talking about a software solution that is part of</p> <p>18 the S3 Supply Chain Management tool, correct?</p> <p>19 A That is correct.</p> <p>20 Q And again, you have no reason to question</p> <p>21 the accuracy of any of the statements on this</p> <p>22 particular web page, which is vetted by your</p>	<p>120</p> <p>1 inventory?</p> <p>2 A I don't have that specific level of</p> <p>3 knowledge.</p> <p>4 Q The heading under "Purchase Order"</p> <p>5 indicates that this Procurement solution of the S3</p> <p>6 Supply Chain Management "Helps smooth the process</p> <p>7 of acquiring goods and services," do you see that?</p> <p>8 A I do.</p> <p>9 Q That's an accurate statement, to your</p> <p>10 knowledge?</p> <p>11 A To my knowledge, yes.</p> <p>12 Q Why don't you -- it appears to be two</p> <p>13 separate printouts of a web page in this one</p> <p>14 Exhibit 5. I think I have it again. So rather</p> <p>15 than go through it twice, why don't we just refer</p> <p>16 to it. It starts with the Bates label 26 at the</p> <p>17 bottom, and it's entitled "Procurement Punchout."</p> <p>18 Do you see that?</p> <p>19 A Actually I don't have that.</p> <p>20 Q It's not part of it?</p> <p>21 A No.</p> <p>22 Q Okay. Well then, we'll come to that,</p>

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<p>1 I'll either get it after the break, or I think I</p> <p>2 have another copy of it at a later point.</p> <p>3 MR. SCHULTZ: The version we got ends</p> <p>4 with the Bates label ending 25.</p> <p>5 MR. ROBERTSON: Okay. It shouldn't have</p> <p>6 been put together in one exhibit in any event. So</p> <p>7 I do think I have it separate. So when I get to</p> <p>8 that, we'll do it. Let me mark the next exhibit as</p> <p>9 Exhibit 6.</p> <p>10 (Frank Exhibit Number 6 was marked for</p> <p>11 identification and attached to the deposition</p> <p>12 transcript.)</p> <p>13 BY MR. ROBERTSON:</p> <p>14 Q I'll ask you to peruse that for a moment.</p> <p>15 For the record, let me indicate it has a Bates</p> <p>16 label ePlus 0241049 through 51. It appears to be,</p> <p>17 again, a printout of a web page from the Lawson</p> <p>18 website, with the heading "Requisitions." Do you</p> <p>19 agree with me?</p> <p>20 A I do.</p> <p>21 Q Again, we're talking about the software</p> <p>22 S3 Supply Chain Management solution, correct?</p>	<p>123</p> <p>1 from the Lawson website bearing Bates label ePlus</p> <p>2 0241026 through 28. And it's entitled "Procurement</p> <p>3 Punchout." Do you see that?</p> <p>4 A I do.</p> <p>5 Q Are you familiar with a Procurement</p> <p>6 Punchout solution as part of the S3 Supply Chain</p> <p>7 Management?</p> <p>8 A In general terms, yes.</p> <p>9 Q What's your understanding?</p> <p>10 A Generally speaking, that it allows</p> <p>11 customers, users to punch out to their suppliers'</p> <p>12 websites to order products.</p> <p>13 Q The second paragraph under "Procurement</p> <p>14 Punchout" indicates, With "Lawson Procurement</p> <p>15 Punchout, you enjoy prebuilt integration to a large</p> <p>16 universe of individual trading partners and digital</p> <p>17 marketplaces." Do you see that?</p> <p>18 A I do.</p> <p>19 Q Is it your understanding, as part of the</p> <p>20 Procurement Punchout, Lawson has already prebuilt</p> <p>21 in the capability of integrating to a large</p> <p>22 universe of individual trading partners and other</p>
<p>122</p> <p>1 A That is correct.</p> <p>2 Q And it's your understanding that a</p> <p>3 requisition module is part of that Procurement</p> <p>4 solution, right?</p> <p>5 A Yes.</p> <p>6 Q To your understanding, can you do a</p> <p>7 purchase of a good from a supplier without a</p> <p>8 requisition module?</p> <p>9 A I don't know the answer to that.</p> <p>10 Q But at least it's your understanding that</p> <p>11 part of the S3 Supply Chain Management procurement</p> <p>12 solution involves a requisition process?</p> <p>13 A A requisition product, correct.</p> <p>14 Q That's all I have for that, sir.</p> <p>15 (Frank Exhibit Number 7 was marked for</p> <p>16 identification and attached to the deposition</p> <p>17 transcript.)</p> <p>18 BY MR. ROBERTSON:</p> <p>19 Q Let me show you what I've marked as</p> <p>20 Exhibit Number 7, which was that page I had as part</p> <p>21 of my Exhibit Number 5. Just for the record, it</p> <p>22 appears, again, to be a printout of the web page</p>	<p>124</p> <p>1 digital marketplaces?</p> <p>2 A Based on just the document itself, yes.</p> <p>3 Q You have no reason to doubt the accuracy</p> <p>4 of that statement, do you?</p> <p>5 A No.</p> <p>6 Q Do you know whether or not Lawson enters</p> <p>7 into contracts with trading partners that provide</p> <p>8 availability of products for customers?</p> <p>9 A I don't know.</p> <p>10 Q Would that be someone from the product</p> <p>11 management group that would be knowledgeable?</p> <p>12 A I believe so.</p> <p>13 Q You've never seen any documents that</p> <p>14 indicate that Lawson enters into agreements with</p> <p>15 trading partners that supply goods to its</p> <p>16 purchasing customer base?</p> <p>17 A No.</p> <p>18 Q That's all I have for that document, sir.</p> <p>19 (Frank Exhibit Number 8 was marked for</p> <p>20 identification and attached to the deposition</p> <p>21 transcript.)</p> <p>22 BY MR. ROBERTSON:</p>

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<p>125</p> <p>1 Q Let me show you what I'm going to mark as</p> <p>2 Exhibit Number 8, and ask you to take a look at</p> <p>3 that. Again, while you're looking through that,</p> <p>4 this appears to be the printout of a web page from</p> <p>5 the Lawson website under the Procurement solutions</p> <p>6 for S3 Supply Chain Management, entitled "Purchase</p> <p>7 Order." It has the Bates label of ePlus 0241032</p> <p>8 through 34.</p> <p>9 Have you had a chance to look at that,</p> <p>10 sir?</p> <p>11 A I have.</p> <p>12 Q Is it your understanding that a purchase</p> <p>13 order functionality is part of the S3 Supply Chain</p> <p>14 Management Procurement solution?</p> <p>15 A Yes.</p> <p>16 Q And the purchase order is how the</p> <p>17 customer actually consummates the transaction with</p> <p>18 the vendor who is supplying the good?</p> <p>19 A I can't speak to that directly.</p> <p>20 Q What do you understand the purchase order</p> <p>21 functionality of this Supply Chain Management</p> <p>22 solution to be?</p>	<p>127</p> <p>1 Exhibit Number 9 and ask you to take a look at</p> <p>2 that, sir. While you're doing that, let me</p> <p>3 indicate it again appears to be a printout of a web</p> <p>4 page from the Lawson website for the S3 Supply</p> <p>5 Chain Management solution, and it has the Bates</p> <p>6 label ePlus 0241043 through 45.</p> <p>7 Is my representation consistent with your</p> <p>8 understanding, that it's a printout from the</p> <p>9 website?</p> <p>10 A Yes.</p> <p>11 Q Are you familiar with what the</p> <p>12 Requisitions Self-Service solution is of the S3</p> <p>13 Supply Chain Management?</p> <p>14 A At a high level, yes.</p> <p>15 Q And what's your understanding, sir?</p> <p>16 A That it allows organizations, customers,</p> <p>17 to move the requisition process outside the</p> <p>18 purchasing department and put the power of</p> <p>19 requisitions in the hands of the departments and</p> <p>20 users.</p> <p>21 Q Is there anything in here on this web</p> <p>22 page that you would like to point out as being</p>
<p>126</p> <p>1 A Generally speaking I describe it as the</p> <p>2 actual communication document that formally</p> <p>3 recognizes a purchase through a vendor.</p> <p>4 Q And it indicates the purchase order can</p> <p>5 be launched automatically through the Lawson</p> <p>6 requisitions or through your buyers. Do you see</p> <p>7 that?</p> <p>8 A I do.</p> <p>9 Q Is that consistent with your</p> <p>10 understanding of the purchase order module within</p> <p>11 the Lawson S3 Supply Chain Management solution?</p> <p>12 A Based on what I see in this</p> <p>13 documentation, yes.</p> <p>14 Q You have no reason to doubt the accuracy</p> <p>15 of it, do you?</p> <p>16 A I do not.</p> <p>17 Q That's all I have for that document, sir.</p> <p>18 (Frank Exhibit Number 9 was marked for</p> <p>19 identification and attached to the deposition</p> <p>20 transcript.)</p> <p>21 BY MR. ROBERTSON:</p> <p>22 Q Let me show you what I've marked as</p>	<p>128</p> <p>1 inaccurate?</p> <p>2 A No.</p> <p>3 Q That's all I have for that document, sir.</p> <p>4 Let me show you what I've marked as Exhibit Number</p> <p>5 10.</p> <p>6 (Frank Exhibit Number 10 was marked for</p> <p>7 identification and attached to the deposition</p> <p>8 transcript.)</p> <p>9 BY MR. ROBERTSON:</p> <p>10 Q I'll ask you to look at that, if you</p> <p>11 would, sir. And for the record, this is a document</p> <p>12 entitled Americas Marketing Organization, fiscal</p> <p>13 year '09. It indicates it was a draft which was</p> <p>14 revised on -- I believe it's April 11, 2008. And</p> <p>15 it has the Bates label of LE 00158358 through 62.</p> <p>16 Have you had an opportunity to look at that, sir?</p> <p>17 A I have.</p> <p>18 Q Have you seen this document before?</p> <p>19 A I have.</p> <p>20 Q Do you know whether or not there was a</p> <p>21 final version of this document, as this appears to</p> <p>22 be a draft?</p>

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<p>129</p> <p>1 A There would have been, yes.</p> <p>2 Q Now, we had talked about the corporate</p> <p>3 hierarchy of the marketing department. Do you</p> <p>4 recall that?</p> <p>5 A I do.</p> <p>6 Q Why don't you look at the page that ends</p> <p>7 60.</p> <p>8 A Okay.</p> <p>9 Q Is that chart accurate as of today?</p> <p>10 A No.</p> <p>11 Q What's not accurate about it, or what's</p> <p>12 changed?</p> <p>13 A Our organizational structure has changed.</p> <p>14 Again, this is based on fiscal year '09 which,</p> <p>15 using Lawson's fiscal year, ended in June -- or at</p> <p>16 the end of May 2009. So we just started a new</p> <p>17 fiscal year on June 1. We had fairly significant</p> <p>18 organizational changes.</p> <p>19 Q Do you know whether or not there would be</p> <p>20 a new Americas marketing organization document for</p> <p>21 fiscal year '10 that would accurately reflect the</p> <p>22 existing structure of the marketing department?</p>	<p>131</p> <p>1 it was approximately 40 total worldwide and 25 in</p> <p>2 your group? Don't let me mischaracterize your</p> <p>3 testimony. I thought I understood you to say there</p> <p>4 were 25 in your group in the Americas.</p> <p>5 A That's correct. So a total of</p> <p>6 approximately 40 that are based in the U.S., in</p> <p>7 marketing. Of those 40, 25 in my organization.</p> <p>8 (Frank Exhibit Number 11 was marked for</p> <p>9 identification and attached to the deposition</p> <p>10 transcript.)</p> <p>11 BY MR. ROBERTSON:</p> <p>12 Q I'll show you what I'm going to be</p> <p>13 marking as Exhibit Number 11 and ask you to take a</p> <p>14 look at that. For the record, it's a document</p> <p>15 bearing the Lawson logo that ends ePlus 0241302</p> <p>16 through 303. It's entitled "Purchase Order:</p> <p>17 Streamlining the Purchasing Process." Do you see</p> <p>18 that?</p> <p>19 A I do.</p> <p>20 Q It's my understanding that this was a</p> <p>21 printout that was available from a link on the</p> <p>22 Lawson website. Is that consistent with your</p>
<p>130</p> <p>1 A I do.</p> <p>2 Q And does it exist?</p> <p>3 A It does.</p> <p>4 MR. ROBERTSON: Perhaps we overlooked it,</p> <p>5 but this was the only one I could find that says</p> <p>6 current for the marketing structure of the</p> <p>7 department. If one exists, I request that it could</p> <p>8 be produced.</p> <p>9 MR. SCHULTZ: We'll look into it.</p> <p>10 MR. ROBERTSON: Thank you.</p> <p>11 BY MR. ROBERTSON:</p> <p>12 Q The last page of the document, Mr. Frank,</p> <p>13 has "Americas Marketing - Headcount." Do you see</p> <p>14 that?</p> <p>15 A I do.</p> <p>16 Q Does FTE stand for full time equivalent?</p> <p>17 A That's correct.</p> <p>18 Q And so there are 22 individuals as of the</p> <p>19 date of this, in the marketing department, full</p> <p>20 time equivalents, working there; is that right?</p> <p>21 A That is correct.</p> <p>22 Q I think earlier you indicated you thought</p>	<p>132</p> <p>1 understanding?</p> <p>2 A I don't know the answer to that.</p> <p>3 Q Do you know if this is the type of</p> <p>4 document that would be created by marketing to</p> <p>5 provide information concerning the purchase order</p> <p>6 process for a Lawson procurement product?</p> <p>7 A I do.</p> <p>8 Q And what is the answer to that question?</p> <p>9 Is it?</p> <p>10 A Yes.</p> <p>11 Q Would this be vetted with legal before it</p> <p>12 was made available?</p> <p>13 A Yes.</p> <p>14 Q Is there any way you can tell the date</p> <p>15 this document was created, by information contained</p> <p>16 in it or otherwise?</p> <p>17 A Yes. On the second page, lower right</p> <p>18 hand corner.</p> <p>19 Q There's a copyright of 2002.</p> <p>20 A Correct.</p> <p>21 Q So you believe it to be sometime in 2002?</p> <p>22 A That is -- yes. And -- should be created</p>

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<p>133</p> <p>1 in 2002.</p> <p>2 Q There's a disclaimer at the lower left</p> <p>3 hand corner, do you see that?</p> <p>4 A Yes.</p> <p>5 Q Let me just read it for the record,</p> <p>6 because it says, "This information pertains to</p> <p>7 tentative products under development that have not</p> <p>8 yet been made commercially available to customers</p> <p>9 by Lawson. Lawson may make changes, cease</p> <p>10 development, or modify the timetable of these</p> <p>11 products at any time without notice."</p> <p>12 Do you see that?</p> <p>13 A I do.</p> <p>14 Q Do you know whether or not since 2002,</p> <p>15 Lawson implemented a purchase order process as part</p> <p>16 of its Procurement suite?</p> <p>17 A I can say Lawson has a purchase order</p> <p>18 application.</p> <p>19 Q That's all I have for that document, sir.</p> <p>20 (Frank Exhibit Number 12 was marked for</p> <p>21 identification and attached to the deposition</p> <p>22 transcript.)</p>	<p>135</p> <p>1 consists of a webinar demonstration of the</p> <p>2 functionality of Lawson Procurement Punchout with</p> <p>3 external vendors?</p> <p>4 A I believe that is the case, yes.</p> <p>5 Q You had indicated that like the website</p> <p>6 and like the brochures, that Lawson attempts to</p> <p>7 provide accurate information in its webinar</p> <p>8 presentations, correct?</p> <p>9 A Correct.</p> <p>10 Q And just refresh me, the webinars are</p> <p>11 also vetted by legal?</p> <p>12 A Yes.</p> <p>13 Q Just the page that ends with the page</p> <p>14 label 42, there's a heading, "Lawson Procurement</p> <p>15 Punchout Features." Do you see that?</p> <p>16 A I do.</p> <p>17 Q Why don't you look at those features and</p> <p>18 tell me if that's consistent with your</p> <p>19 understanding as to the Procurement Punchout</p> <p>20 functionality.</p> <p>21 A This really goes beyond my level of</p> <p>22 knowledge of the product.</p>
<p>134</p> <p>1 BY MR. ROBERTSON:</p> <p>2 Q Let me show you what I'm marking as</p> <p>3 Exhibit Number 12. I'll ask you to take a look at</p> <p>4 that for a minute. For the record, it's a color</p> <p>5 printout downloaded from the Lawson website that</p> <p>6 bears the Bates label ePlus 0444140 through 170,</p> <p>7 entitled "Using Lawson Procurement Punchout with</p> <p>8 External Vendors." Do you see that?</p> <p>9 A I do.</p> <p>10 Q We had talked about webinars earlier this</p> <p>11 morning with respect to descriptions of the</p> <p>12 functionality and features of some of Lawson's</p> <p>13 software solutions. Do you recall that?</p> <p>14 A I do.</p> <p>15 Q Mr. Lohkamp, he is one of the management</p> <p>16 personnel in the product management group?</p> <p>17 A That's correct.</p> <p>18 Q And is Mr. Fritch to your knowledge</p> <p>19 within the product management group?</p> <p>20 A He is a customer.</p> <p>21 Q I see. Does this appear to be a</p> <p>22 PowerPoint presentation that includes -- that</p>	<p>136</p> <p>1 Q Turning the page, you see "Procurement</p> <p>2 Punchout Partners Sample"?</p> <p>3 A Yes.</p> <p>4 Q Are these the vendors that make available</p> <p>5 their information and catalogues as to the goods</p> <p>6 they're offering for sale?</p> <p>7 A I can't say for sure, but that would be</p> <p>8 my interpretation.</p> <p>9 Q Can you turn to the page that ends with</p> <p>10 the Bates label 148.</p> <p>11 A Okay.</p> <p>12 Q You see the acronym at the top, SCIS?</p> <p>13 A Yes.</p> <p>14 Q Do you have an understanding of what that</p> <p>15 means?</p> <p>16 A I do not.</p> <p>17 Q Can you turn back two pages, I'm sorry,</p> <p>18 to the one that ends 146.</p> <p>19 A Okay.</p> <p>20 Q You see it says "Supply Chain Information</p> <p>21 Systems"?</p> <p>22 A Yes.</p>

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<p>137</p> <p>1 Q That's a service offered by Lawson, isn't</p> <p>2 that right?</p> <p>3 A That is incorrect.</p> <p>4 Q Who is that?</p> <p>5 A My understanding, just looking at the</p> <p>6 rest of the content, this is the content that was</p> <p>7 presented by Trinity Health, Lawson's customer. So</p> <p>8 it's their internal name for the project or</p> <p>9 department.</p> <p>10 Q So do you know whether or not this</p> <p>11 Procurement Punchout with external vendors was</p> <p>12 actually implemented at Trinity Health?</p> <p>13 A I can't say for sure.</p> <p>14 Q By reviewing this document, would that</p> <p>15 appear to be the case?</p> <p>16 A That would appear to be the case.</p> <p>17 Q And turning to the page that ends 148</p> <p>18 again, so it says that one of the supply chain</p> <p>19 information system project objectives which was</p> <p>20 achieved at all live sites includes the shared</p> <p>21 catalogue of items and vendors. Do you see that?</p> <p>22 A I do.</p>	<p>139</p> <p>1 at Trinity Health, there were 6500 employees using</p> <p>2 Lawson Requisitions Self-Service.</p> <p>3 Q I see. I understand. That's all I have</p> <p>4 with that document, sir.</p> <p>5 (Frank Exhibit Number 13 was marked for</p> <p>6 identification and attached to the deposition</p> <p>7 transcript.)</p> <p>8 BY MR. ROBERTSON:</p> <p>9 Q Let me just hand you what I'm going to</p> <p>10 mark as Exhibit 13. I'll ask you to take a minute</p> <p>11 to look at that document while you do. Let me</p> <p>12 state for the record it appears to be another</p> <p>13 webinar demo downloaded from the Lawson website</p> <p>14 that has the Bates label ePlus 0621206 through 233.</p> <p>15 And is that representation consistent with your</p> <p>16 observation, that this appears to be a webinar that</p> <p>17 is providing an overview of the Lawson's S3</p> <p>18 Requisitions Self-Service?</p> <p>19 A I can't say -- yes, it does.</p> <p>20 Q I don't want to walk you through all the</p> <p>21 representations that are made about the capability</p> <p>22 of the Lawson Requisitions Self-Service, but again,</p>
<p>138</p> <p>1 Q Would that be a service that Lawson would</p> <p>2 provide as part of this Procurement Punchout?</p> <p>3 A I can't say for sure.</p> <p>4 Q Is it consistent with your understanding</p> <p>5 of one of the services Lawson can provide for this</p> <p>6 Procurement Punchout?</p> <p>7 A It is, however it could be a situation</p> <p>8 where Trinity Health did something in terms of</p> <p>9 modifications to the system specific to their</p> <p>10 organization.</p> <p>11 Q The next page that ends with 149 has a</p> <p>12 "Phased Lawson Rollout," do you see that?</p> <p>13 A I do.</p> <p>14 Q It says, "Approximately 6500 users</p> <p>15 currently using Lawson Requisitions Self-Service,"</p> <p>16 do you see that?</p> <p>17 A I do.</p> <p>18 Q Is that consistent with your</p> <p>19 understanding, as of approximately the time this</p> <p>20 webinar would have been created, that 6500 users</p> <p>21 were using Lawson Requisitions Self-Service?</p> <p>22 A My interpretation of that bullet point is</p>	<p>140</p> <p>1 this would be the type of document that would be</p> <p>2 vetted both by Mr. Lohkamp's project -- product</p> <p>3 management group and vetted by legal, correct?</p> <p>4 A That is correct.</p> <p>5 Q If you look at the page that ends with</p> <p>6 the Bates label 210, does that appear to you to be</p> <p>7 an actual user interface that could be employed</p> <p>8 in -- excuse me, with the Requisitions Self-Service</p> <p>9 software solution offered by Lawson?</p> <p>10 A Yes.</p> <p>11 Q Just so I can understand the structure of</p> <p>12 this document, looking at the page, 210, there</p> <p>13 seems to be sort of a menu on the side of various</p> <p>14 functionality that's going to be projected during</p> <p>15 the webinar. Is that fair to say?</p> <p>16 A You're talking on the far -- the gray</p> <p>17 box?</p> <p>18 Q Yes, sir.</p> <p>19 A Yes, I believe that's a part of the web</p> <p>20 technology. It's not a part of the Lawson product.</p> <p>21 Q In fact there are durations, time</p> <p>22 durations there which show how long the actual</p>

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<p>141</p> <p>1 presentation goes on; is that right?</p> <p>2 A That's my interpretation.</p> <p>3 Q But to the left of that gray box is what</p> <p>4 appears to be a depiction of the user interface</p> <p>5 that someone would be employing if they were going</p> <p>6 to be using the Lawson self-service requisition</p> <p>7 process, correct?</p> <p>8 A I believe that is the case.</p> <p>9 Q One of the things you see at the top is a</p> <p>10 dropdown menu. You're familiar with that term?</p> <p>11 A Yes.</p> <p>12 Q And one of the things that's highlighted</p> <p>13 there in that dropdown menu is something that</p> <p>14 indicates "Search Catalogue," do you see that?</p> <p>15 A I do.</p> <p>16 Q And if you look again to the right of</p> <p>17 that gray box, there's going to be a webinar</p> <p>18 presentation here as to how one would actually</p> <p>19 search catalogues for items they would wish to</p> <p>20 purchase, correct?</p> <p>21 A I'm not sure about that.</p> <p>22 Q If you turn to the next page, there</p>	<p>143</p> <p>1 Q That's all I have with that document,</p> <p>2 sir.</p> <p>3 (Frank Exhibit Number 14 was marked for</p> <p>4 identification and attached to the deposition</p> <p>5 transcript.)</p> <p>6 BY MR. ROBERTSON:</p> <p>7 Q Let me mark this as Exhibit Number 14.</p> <p>8 I'll hand it to you and ask if you would look at</p> <p>9 that for a second, sir. Just for the record, it's</p> <p>10 marked ePlus 0240818 through 821. And it is</p> <p>11 entitled "Supply Chain Management" under the Lawson</p> <p>12 logo. Have you seen documents of this type before,</p> <p>13 sir?</p> <p>14 A I have.</p> <p>15 Q Is this a document that might be</p> <p>16 available on the Lawson website through a link?</p> <p>17 A Potentially.</p> <p>18 Q Well, in what capacity did you see this</p> <p>19 type of document?</p> <p>20 A Again, potentially on our website. It's</p> <p>21 also a document that would typically be available</p> <p>22 to our sales force, that they could download for</p>
<p>142</p> <p>1 actually is now a presentation of the search</p> <p>2 catalogue functionality of this self requisition</p> <p>3 process that's now running?</p> <p>4 A Correct.</p> <p>5 Q And there's a search engine at the top</p> <p>6 that you can input a specific query for an item</p> <p>7 that someone might want to purchase?</p> <p>8 A I see that.</p> <p>9 Q Is that consistent with how the Lawson</p> <p>10 Requisitions Self-Service software solution</p> <p>11 performs?</p> <p>12 A It gets beyond my level of knowledge. So</p> <p>13 I would be going just based on what we see here.</p> <p>14 Q All right. But just flipping through,</p> <p>15 again, in the next several pages, all of these</p> <p>16 appear to be user interface screenshots for the</p> <p>17 product, correct?</p> <p>18 A I've gone through 1218. As far as I've</p> <p>19 gone, yes, that is the case.</p> <p>20 Q Have you ever used the Lawson S3</p> <p>21 Requisitions Self-Service module?</p> <p>22 A I have not.</p>	<p>144</p> <p>1 use with prospects and customers, as well as the</p> <p>2 type of documentation we would take to a trade show</p> <p>3 or other type of event.</p> <p>4 Q Would the marketing department be</p> <p>5 responsible for the content of this document?</p> <p>6 A Yes.</p> <p>7 Q And would you, like the other documents</p> <p>8 you've talked about, brochures, the webinars, and</p> <p>9 the website, have vetted this both with product</p> <p>10 management and legal?</p> <p>11 A Yes.</p> <p>12 Q The last -- excuse me, second to last</p> <p>13 page that ends 820, I direct you to the bullet</p> <p>14 points at the right hand column.</p> <p>15 A Yes.</p> <p>16 Q You see it says, "Lawson Supply Chain</p> <p>17 Management Suite Applications," colon?</p> <p>18 A I do.</p> <p>19 Q Are all those consistent with your</p> <p>20 understanding of the applications available with</p> <p>21 the Lawson Supply Chain Management product?</p> <p>22 A At the time that this was printed, yes.</p>

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<p>145</p> <p>1 Q And it was printed, it appears, in 2006;</p> <p>2 is that right? There's a copyright at the last</p> <p>3 page, at the bottom.</p> <p>4 A Yes, when it would have been created.</p> <p>5 Q You say at the time it was printed that</p> <p>6 would be consistent with your understanding of the</p> <p>7 applications available. What if anything has</p> <p>8 changed?</p> <p>9 A Just off the top of my head, one of the</p> <p>10 products that is not listed here that's available</p> <p>11 today is a product called Point of Use, which is a</p> <p>12 product specifically used in the healthcare</p> <p>13 industry. There may be others that have been</p> <p>14 added, but that's one that I know is missing.</p> <p>15 Q Is there anything that's there that is no</p> <p>16 longer part of this Lawson Supply Chain Management</p> <p>17 suite of applications?</p> <p>18 A Not that I'm aware of.</p> <p>19 Q So it's your understanding, for example,</p> <p>20 that Procurement, Requisitions Self-Service,</p> <p>21 Procurement Punchout, Vendor Self-Service, and EDI</p> <p>22 or EDI Professional for Supply Chain Management are</p>	<p>147</p> <p>1 AFTERNOON SESSION</p> <p>2 (1:24 p.m.)</p> <p>3 THE VIDEOGRAPHER: We're now back on the</p> <p>4 record. The time is 1:24 p.m.</p> <p>5 (Frank Exhibit Number 15 was marked for</p> <p>6 identification and attached to the deposition</p> <p>7 transcript.)</p> <p>8 BY MR. ROBERTSON:</p> <p>9 Q Let me show you what's been marked as</p> <p>10 Exhibit Number 15, Mr. Frank, and ask you to take a</p> <p>11 look at that. While you're doing that, let me</p> <p>12 state for the record that it's a document entitled</p> <p>13 "Lawson Software e-Procurement: Revolutionizing</p> <p>14 the Healthcare Supply Chain, a Lawson Software</p> <p>15 White Paper," which bears the Bates label of LE</p> <p>16 00163483 through 502.</p> <p>17 Have you had a chance to look at it, sir?</p> <p>18 A Yes.</p> <p>19 Q We talked about white papers during the</p> <p>20 morning session; you recall that, correct?</p> <p>21 A I do.</p> <p>22 Q Would this be an example of one of those</p>
<p>146</p> <p>1 all part of the suite of applications?</p> <p>2 A To the best of my knowledge, yes.</p> <p>3 MR. ROBERTSON: Do you want to take the</p> <p>4 lunch break, Will? Why don't we take a break now.</p> <p>5 We've been going for a long time, forging through a</p> <p>6 lot of documents. I'll get organized so after the</p> <p>7 lunch break we can move swiftly through.</p> <p>8 MR. SCHULTZ: That's fine, thanks.</p> <p>9 THE VIDEOGRAPHER: We're going off the</p> <p>10 record. The time is 12:28 p.m.</p> <p>11 (Whereupon, at 12:30 p.m., a lunch recess</p> <p>12 was taken.)</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p>	<p>148</p> <p>1 Lawson white papers that provide information with</p> <p>2 respect to certain product offerings?</p> <p>3 A Yes.</p> <p>4 Q Would this be a document that would be</p> <p>5 vetted by Lawson product management and the legal</p> <p>6 department before it was being made available to a</p> <p>7 potential audience?</p> <p>8 A Today, yes. I notice this a 2001</p> <p>9 document. I was looking at the logo, it's two</p> <p>10 logos old. It was before my time at Lawson. But</p> <p>11 based on today's process, yes.</p> <p>12 Q And this is before the acquisition or the</p> <p>13 merger with Intentia, correct?</p> <p>14 A Correct. That was 2006.</p> <p>15 Q And the S3 product is a product that's</p> <p>16 directed to the healthcare supply industry, isn't</p> <p>17 it?</p> <p>18 A Among other service industries, yes.</p> <p>19 Q Let me ask you this. Did the desire to</p> <p>20 expand into the service industry motivate Lawson to</p> <p>21 some degree in the acquisition of Intentia?</p> <p>22 A I'm not sure I'm following your question.</p>

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<p>1 Q Well, I understood from your earlier</p> <p>2 testimony that one of the strengths of Lawson's</p> <p>3 product line was in the manufacturing sector, and</p> <p>4 that -- actually I have it the opposite way.</p> <p>5 A Correct.</p> <p>6 Q Okay. Thank you. So you had a service</p> <p>7 solution prior to the acquisition of Intenia, and</p> <p>8 Intenia brought the Movex or the manufacturing ERP</p> <p>9 side of it to the equation?</p> <p>10 A That's correct.</p> <p>11 Q The focus of this document I want to</p> <p>12 direct you to is beginning at page 488, going over</p> <p>13 to 489. And what it's doing there, it's my</p> <p>14 understanding, is making a comparison between</p> <p>15 traditional procurement and electronic procurement.</p> <p>16 Do you see that?</p> <p>17 A I do.</p> <p>18 Q Would you agree with me that the goal of</p> <p>19 a supply chain management solution is to streamline</p> <p>20 and make the procurement process more efficient</p> <p>21 than the traditional procurement process?</p> <p>22 A Among other things, yes.</p>	<p>151</p> <p>1 A Generally speaking, yes.</p> <p>2 Q I mean, from a marketing perspective it's</p> <p>3 one of the things that Lawson attempts to tout,</p> <p>4 that the electronic procurement saves money and</p> <p>5 reduces or streamlines the entire process, isn't</p> <p>6 that right?</p> <p>7 A Based on this document, yes.</p> <p>8 Q But do you have any reason to believe as</p> <p>9 you sit here today that the argument being made</p> <p>10 here, essentially, that electronic procurement is</p> <p>11 more efficient and less costly than the traditional</p> <p>12 procurement process, is not true?</p> <p>13 A No.</p> <p>14 Q Is this white paper indeed an example of</p> <p>15 Lawson touting that streamlined, more efficient,</p> <p>16 less costly process with respect to one of its</p> <p>17 products?</p> <p>18 A I don't know the answer to that. I was</p> <p>19 looking through the document to see how much of</p> <p>20 this is based on existing product functionality</p> <p>21 that's offered versus future development. And just</p> <p>22 paging through the document, I don't see that.</p>
<p>150</p> <p>1 Q And would you agree with me that one of</p> <p>2 the goals of Supply Chain Management solution is to</p> <p>3 reduce the costs that have been historically</p> <p>4 associated with the purchase process for, you know,</p> <p>5 a business?</p> <p>6 A Yes.</p> <p>7 Q And this chart here, the Lawson Software</p> <p>8 document "Revolutionizing the Healthcare Supply</p> <p>9 Chain," is attempting to illustrate how the</p> <p>10 e-Procurement process is more efficient and creates</p> <p>11 cost savings than the traditional process, correct?</p> <p>12 A Yes.</p> <p>13 Q And indeed, under the chart on the page</p> <p>14 that ends 488, it talks about how many "touches" or</p> <p>15 human interventions need to occur in the</p> <p>16 traditional procurement process as compared to the</p> <p>17 electronic procurement process, correct?</p> <p>18 A That's correct.</p> <p>19 Q From a marketing standpoint, do you</p> <p>20 believe that the electronic procurement process is</p> <p>21 an improvement over the traditional human</p> <p>22 intervention procurement process?</p>	<p>152</p> <p>1 Q Without regard to the document, you can</p> <p>2 put it aside for a minute, would you agree with me</p> <p>3 that one of the things that Lawson urges to its</p> <p>4 potential customers is that its electronic software</p> <p>5 solution for procurement is going to be more</p> <p>6 efficient and less costly than the traditional</p> <p>7 human intervention process?</p> <p>8 A Our position is our solutions could help</p> <p>9 them be more efficient.</p> <p>10 Q And how does it do that? Is it -- I'm</p> <p>11 sorry.</p> <p>12 A I'll let you finish if you like.</p> <p>13 Q Is it by reducing the human intervention?</p> <p>14 A That would be one of the elements.</p> <p>15 Q How about speeding up the process, would</p> <p>16 that be one of the elements?</p> <p>17 A Yes.</p> <p>18 Q How about the ability to be able to</p> <p>19 choose among multiple vendors to find the best</p> <p>20 price point for a desired product?</p> <p>21 A I can't speak to that specifically.</p> <p>22 Q Well, as the head of marketing for the</p>

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<p>153</p> <p>1 Americas, what do you think the advantages are to</p> <p>2 the electronic procurement process offered by</p> <p>3 Lawson over the traditional human intervention</p> <p>4 process?</p> <p>5 A At a high level, reduction in use of</p> <p>6 paper, automating the process, the use of</p> <p>7 notifications of alerts, alerts that make the</p> <p>8 process just more effective as well as more</p> <p>9 efficient.</p> <p>10 Q Thank you. That's all I have for that</p> <p>11 document.</p> <p>12 (Frank Exhibit Number 16 was marked for</p> <p>13 identification and attached to the deposition</p> <p>14 transcript.)</p> <p>15 BY MR. ROBERTSON:</p> <p>16 Q Let me show you what I'm marking as</p> <p>17 Exhibit Number 16. I'll ask you to take a minute</p> <p>18 to peruse that, sir.</p> <p>19 A Okay.</p> <p>20 Okay.</p> <p>21 Q This document is entitled "Lawson M3</p> <p>22 e-Procurement Sales & Presales Presentation." It</p>	<p>155</p> <p>1 bears a date, must be sometime after that</p> <p>2 acquisition, correct?</p> <p>3 A That's correct.</p> <p>4 Q Do you know whether such a document</p> <p>5 exists for Lawson's S3 e-Procurement?</p> <p>6 A I do not.</p> <p>7 Q Do you know what the purpose for this</p> <p>8 document would be?</p> <p>9 A Not exactly, no.</p> <p>10 Q Fair enough. Do you think -- what's your</p> <p>11 best estimate as to whether this would be a</p> <p>12 document for internal consumption or a document</p> <p>13 prepared for presentation to potential customers?</p> <p>14 A Based on what I see, my assessment would</p> <p>15 be this is an internal only document.</p> <p>16 Q And why would you deduce that?</p> <p>17 A Initially just by looking at the cover,</p> <p>18 the title "Sales," "Presales presentation," I</p> <p>19 believe what he's inferring by that is a</p> <p>20 presentation to sales and presales. As opposed to</p> <p>21 this is the presentation that we give to prospects.</p> <p>22 Q I'm not going to have a lot of questions</p>
<p>154</p> <p>1 appears that the author was Alfred Gerum, senior</p> <p>2 product manager at Lawson. It bears the Bates</p> <p>3 label LO 134163 through 202. My question is, have</p> <p>4 you seen a document of this type before?</p> <p>5 A I have not.</p> <p>6 Q And this would be generated by the</p> <p>7 product management department at Lawson, is that</p> <p>8 right?</p> <p>9 A Based on the individual's title.</p> <p>10 Q Are you aware of a Mr. Alfred Gerum who</p> <p>11 works at Lawson?</p> <p>12 A I am not familiar with him.</p> <p>13 Q When you acquired -- strike that. Prior</p> <p>14 to the acquisition of Intenia in 2006, did Lawson</p> <p>15 offer a product called M3?</p> <p>16 A It did not.</p> <p>17 Q So it was the Movex product that was</p> <p>18 acquired through that transaction, that was</p> <p>19 rebranded M3 after 2006, correct?</p> <p>20 A That's correct.</p> <p>21 Q And so we can I think reasonably deduce</p> <p>22 from that that this document, which I don't see</p>	<p>156</p> <p>1 about this since you're not familiar with it, but</p> <p>2 you are somewhat familiar with the M3 e-Procurement</p> <p>3 product solution offered by Lawson, right?</p> <p>4 A Only at a very high level.</p> <p>5 Q But if you'll turn to page 3 in the</p> <p>6 document that ends at the Bates label 165.</p> <p>7 A Okay.</p> <p>8 Q One of the things that Mr. Gerum in this</p> <p>9 sales presentation is representing is that one of</p> <p>10 the benefits or a requirement for M3 Procurement is</p> <p>11 its ease of use. Do you see that?</p> <p>12 A I do.</p> <p>13 Q In your view is the Lawson M3</p> <p>14 e-Procurement solution easy to use?</p> <p>15 A I don't know the answer to that.</p> <p>16 Q How about catalogue management? Are you</p> <p>17 aware that the M3 Procurement has a requirement of</p> <p>18 catalogue management?</p> <p>19 A I am not.</p> <p>20 Q Have you seen -- let me direct you to</p> <p>21 page 6 of the document. Have you seen similar</p> <p>22 documents to this where they have a purchase flow</p>

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<p>157</p> <p>1 with electronic procurement?</p> <p>2 A The page ending 167 --</p> <p>3 Q 168, sir.</p> <p>4 A I'm sorry. Would you repeat the</p> <p>5 question?</p> <p>6 Q Sure. Understanding that you're not</p> <p>7 familiar with this particular document, have you</p> <p>8 seen similar documents that have an illustration of</p> <p>9 the purchase flow of e-Procurement?</p> <p>10 A No, I have not.</p> <p>11 Q That's all I have with that, sir.</p> <p>12 (Frank Exhibit Number 17 was marked for</p> <p>13 identification and attached to the deposition</p> <p>14 transcript.)</p> <p>15 BY MR. ROBERTSON:</p> <p>16 Q Let me show you what I'm marking as</p> <p>17 Exhibit Number 17. Take a minute to look at that.</p> <p>18 I'll identify it for the record. It's a document</p> <p>19 entitled "Welcome to Lawson Web Requisition: A</p> <p>20 Guide for the Beginning Requester." And it has the</p> <p>21 joint logo of Lawson Software and SUNY Upstate</p> <p>22 Medical University. It has a Bates label of ePlus</p>	<p>159</p> <p>1 division within Lawson that's responsible for</p> <p>2 customer training for the software solutions?</p> <p>3 A At the highest level it's Lawson</p> <p>4 Professional Services.</p> <p>5 Q And that's a separate department or</p> <p>6 division from the Product Management?</p> <p>7 A Correct.</p> <p>8 Q Who is in charge of Lawson Professional</p> <p>9 Services?</p> <p>10 A At this time the individual's name is</p> <p>11 Scott Swoish.</p> <p>12 Q Is Mr. Swoish located in the United</p> <p>13 States?</p> <p>14 A He is.</p> <p>15 Q In Minnesota?</p> <p>16 A No. I believe he's located in Atlanta.</p> <p>17 Q Is there any way for you to determine</p> <p>18 approximately when this document might have been</p> <p>19 created? I don't see any copyright.</p> <p>20 A Correct. The only -- I can't say for</p> <p>21 sure. The only thing that gives me any indication,</p> <p>22 again, is the logo, and -- the Lawson Software</p>
<p>158</p> <p>1 0241397 through 416. I'll ask you, when you're</p> <p>2 done looking through it, whether you've seen this</p> <p>3 document or documents of its type before.</p> <p>4 A I have not.</p> <p>5 Q Do you have any idea who at Lawson would</p> <p>6 be responsible for creating or generating this</p> <p>7 document?</p> <p>8 A I would be guessing.</p> <p>9 Q But you don't believe it would be</p> <p>10 marketing?</p> <p>11 A Correct.</p> <p>12 Q Do you know what the purpose of this</p> <p>13 document would be?</p> <p>14 A Again, guessing, it appears to be more of</p> <p>15 a training tool as opposed to a sales or marketing</p> <p>16 document.</p> <p>17 Q Does it look like a training tool for a</p> <p>18 particular customer?</p> <p>19 A I would be guessing, but it looks like it</p> <p>20 may have been something developed specifically for</p> <p>21 SUNY Upstate Medical University.</p> <p>22 Q Is there a particular department or</p>	<p>160</p> <p>1 logo, which is 2001 or before.</p> <p>2 Q Thank you. That's all I have for that</p> <p>3 document.</p> <p>4 (Frank Exhibit Number 18 was marked for</p> <p>5 identification and attached to the deposition</p> <p>6 transcript.)</p> <p>7 BY MR. ROBERTSON:</p> <p>8 Q Let me show you what I'm marking as</p> <p>9 Exhibit Number 18, a fairly voluminous document, so</p> <p>10 take your time. And just for the record, it's a</p> <p>11 document entitled "About Lawson." It has a Bates</p> <p>12 label of LE 00015099 through 15161. My initial</p> <p>13 question is, have you seen this document before, or</p> <p>14 documents of its type?</p> <p>15 A I'm not familiar with this document, no.</p> <p>16 Q Can I infer from that that you don't</p> <p>17 believe that such a document would have been</p> <p>18 created by the marketing department?</p> <p>19 A That is my belief.</p> <p>20 Q I'm just trying to date the document.</p> <p>21 Again, I don't see a copyright on it. But I do</p> <p>22 note that it does reference the page ending 104,</p>

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<p>161</p> <p>1 the Intenia acquisition.</p> <p>2 A Correct. It would certainly be sometime</p> <p>3 in that time frame. But it may have preceded the</p> <p>4 actual acquisition.</p> <p>5 Q And the page that ends 103, there is a</p> <p>6 June 2006 reference. So it would appear to be</p> <p>7 generated after 2006. But other than that, is</p> <p>8 there anything in the document that would help you?</p> <p>9 A No. That would probably be the best</p> <p>10 indicator.</p> <p>11 Q Do you have any notion who might have</p> <p>12 been the author of this exhibit?</p> <p>13 A I don't.</p> <p>14 Q Do you have any idea what the purpose of</p> <p>15 this exhibit might be, Exhibit 18?</p> <p>16 A I would be guessing. It has components</p> <p>17 from a lot of different areas within Lawson. But I</p> <p>18 would be guessing who compiled it and what its</p> <p>19 exact purpose was for. I haven't seen it before.</p> <p>20 Q Okay. That's all I have for that, sir.</p> <p>21 (Frank Exhibit Number 19 was marked for</p> <p>22 identification and attached to the deposition</p>	<p>163</p> <p>1 documents and presentations.</p> <p>2 Q Who is Mr. Hager?</p> <p>3 A He is currently our executive vice</p> <p>4 president of S3 industries. At that time I believe</p> <p>5 he would have been our executive vice president of</p> <p>6 product management.</p> <p>7 Q Do you know why a document entitled</p> <p>8 "Strategy Review" would have been authored by</p> <p>9 Mr. Hager at about this time?</p> <p>10 A Yes.</p> <p>11 Q And what is the reason?</p> <p>12 A He had overall responsibility for product</p> <p>13 management as well as our industries, and led our</p> <p>14 effort around bringing Lawson and Intenia together</p> <p>15 on product lines and industries.</p> <p>16 Q So in this January 2000 time period</p> <p>17 Lawson was still digesting Intenia, for all</p> <p>18 intents and purposes; is that fair to say?</p> <p>19 A It would have been approximately six to</p> <p>20 seven months post merger of the companies, is the</p> <p>21 way I would characterize it.</p> <p>22 Q Who is larger, Intenia or Lawson?</p>
<p>162</p> <p>1 transcript.)</p> <p>2 BY MR. ROBERTSON:</p> <p>3 Q Let me show you what I'm going to mark as</p> <p>4 Exhibit 19 and ask you to take a minute to look at</p> <p>5 that. It's a fairly voluminous document. While</p> <p>6 you're looking at it, for the record let me state</p> <p>7 that it's entitled "Strategy Review." It appears</p> <p>8 the author is one Dean Hager. It's dated January</p> <p>9 26th, 2007. It appears to be a multi-page</p> <p>10 PowerPoint with a Bates label LE 0144419 through</p> <p>11 468.</p> <p>12 My first question is, have you seen this</p> <p>13 document before, sir?</p> <p>14 A I have not seen this particular document,</p> <p>15 no.</p> <p>16 Q Have you seen documents of its type, or</p> <p>17 iterations of it?</p> <p>18 A Yes.</p> <p>19 Q And when would that have occurred?</p> <p>20 A It would have occurred in roughly the</p> <p>21 same time frame. There are slides and elements of</p> <p>22 this presentation which were used in other</p>	<p>164</p> <p>1 A Roughly equal size companies. It depends</p> <p>2 what measurement you use.</p> <p>3 Q Let's start with number of employees.</p> <p>4 A Almost equal.</p> <p>5 Q And how about revenues, year of</p> <p>6 acquisition or merger?</p> <p>7 A Very close.</p> <p>8 Q Were there any product lines that</p> <p>9 Intenia had that did not continue at Lawson?</p> <p>10 A Today, yes. But that happened over the</p> <p>11 course of time.</p> <p>12 Q Would it be fair to say that the M3</p> <p>13 product was one of the driving forces in the</p> <p>14 acquisition or merger?</p> <p>15 A Yes.</p> <p>16 Q What about the customer market in Europe,</p> <p>17 was that one of the synergies that Lawson was</p> <p>18 hoping to leverage in the merger?</p> <p>19 A Yes.</p> <p>20 Q Prior to the acquisition, was Lawson a</p> <p>21 player in the Europe market?</p> <p>22 A Define "player."</p>

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<p>165</p> <p>1 Q Good point. Did Lawson derive more than</p> <p>2 a quarter of its revenues from sales to the</p> <p>3 European market?</p> <p>4 A No.</p> <p>5 Q Can you give me -- I think we've talked</p> <p>6 about the Pacific Rim market, the European/Middle</p> <p>7 East market, and the Americas. What percentage of</p> <p>8 Lawson's revenue in 2009 approximately is derived</p> <p>9 from each of those geographic regions?</p> <p>10 A So I would have to speak to our fiscal</p> <p>11 year 2009, which ended --</p> <p>12 Q May 31?</p> <p>13 A Correct. Roughly speaking, about 50</p> <p>14 percent in the -- North America, United States or</p> <p>15 Americas. About 40 percent in EMEA, so Europe,</p> <p>16 Middle East, and Africa. And about 10 percent in</p> <p>17 Asia-Pacific, rough terms.</p> <p>18 Q Can you do the same for me in relative</p> <p>19 percentages for those same regions prior to the</p> <p>20 acquisition of Intenia?</p> <p>21 A For Lawson?</p> <p>22 Q Yes.</p>	<p>167</p> <p>1 completed roughly the first half of that fiscal</p> <p>2 year. So this is actually results. But I don't</p> <p>3 know that for sure.</p> <p>4 Q So just prior to 2006, Lawson wasn't</p> <p>5 offering the M3 product in the United States,</p> <p>6 correct, prior to the acquisition?</p> <p>7 A Prior to the closing of the acquisition.</p> <p>8 Q So does this indicate by the first half</p> <p>9 of the 2000 year fiscal year, the M3 product is</p> <p>10 roughly competing with the S3 product, if you're</p> <p>11 looking at the total revenues there?</p> <p>12 A That is the way I would interpret it.</p> <p>13 Q Prior to 2006, prior to the merger,</p> <p>14 Lawson wasn't making any M3 sales in the United</p> <p>15 States, correct?</p> <p>16 A Correct.</p> <p>17 Q But within a half a year following the</p> <p>18 merger, the total revenues generated from sales of</p> <p>19 M3 were roughly comparable, within a couple of</p> <p>20 million dollars, \$3 million or so, of the S3 sales;</p> <p>21 is that right?</p> <p>22 A That's correct.</p>
<p>166</p> <p>1 A Yes.</p> <p>2 Q What would it be?</p> <p>3 A It would be roughly 95 percent U.S.,</p> <p>4 North America. A few percent for Europe. A few</p> <p>5 percent for Asia-Pacific.</p> <p>6 Q Has Lawson's total revenues with respect</p> <p>7 to the America geographic region grown since 2006,</p> <p>8 or fallen off?</p> <p>9 A I don't know the answer to that exactly,</p> <p>10 off the top of my head.</p> <p>11 Q Can you turn to the page of Exhibit</p> <p>12 Number 19, it ends with the Bates label 424. It</p> <p>13 talks about product lines.</p> <p>14 A Okay.</p> <p>15 Q "1H Software Contracting." What does 1H</p> <p>16 stand for? First half?</p> <p>17 A I believe that is the case.</p> <p>18 Q That's been a projection for where they</p> <p>19 think they're going to be, since this is dated</p> <p>20 January of 2007, in the first half of this year?</p> <p>21 A Actually my interpretation would be,</p> <p>22 because this is dated January, we would have</p>	<p>168</p> <p>1 Q Have the M3 sales in the United States</p> <p>2 grown every year since the merger?</p> <p>3 A I don't know the answer to that.</p> <p>4 Q That's all I have for that document, sir.</p> <p>5 (Frank Exhibit Number 20 was marked for</p> <p>6 identification and attached to the deposition</p> <p>7 transcript.)</p> <p>8 BY MR. ROBERTSON:</p> <p>9 Q Let me show you what I've marked as</p> <p>10 Exhibit Number 20. I'll ask you to take a moment</p> <p>11 to look at that. This document is entitled "Lawson</p> <p>12 Opportunity." It again appears to have been</p> <p>13 authored by Dean Hager. It has the Bates label LE</p> <p>14 00145303 through 327. Let me know when you're done</p> <p>15 looking at it.</p> <p>16 A Okay. I have a general sense for the</p> <p>17 document.</p> <p>18 Q Have you seen this document before?</p> <p>19 A No.</p> <p>20 Q Have you seen documents of its type?</p> <p>21 A Yes.</p> <p>22 Q Do you know why Mr. Hager would be</p>

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<p>169</p> <p>1 preparing a document entitled "Lawson Opportunity"?</p> <p>2 A I believe, looking at the charts that are</p> <p>3 included in this, it's a PowerPoint presentation.</p> <p>4 This is much of the same content of the previous</p> <p>5 document we reviewed, the business plan document</p> <p>6 earlier this morning.</p> <p>7 Q Does that suggest to you it was created</p> <p>8 about the same time as that business plan document?</p> <p>9 A Yes. I would interpret it that way.</p> <p>10 Q Why don't you turn to the page that ends</p> <p>11 305, it says "Customer Base Trend."</p> <p>12 A Okay.</p> <p>13 Q I want to try and interpret what this</p> <p>14 chart is attempting to depict. The column --</p> <p>15 first, there's a column that has SAP, Oracle,</p> <p>16 Infor, Intenia, and Lawson. Do you see that?</p> <p>17 A I do.</p> <p>18 Q SAP and Oracle are competitors of Lawson,</p> <p>19 right?</p> <p>20 A That's correct.</p> <p>21 Q Was Infor a competitor of Lawson?</p> <p>22 A Yes.</p>	<p>171</p> <p>1 A Increased customer base, yes.</p> <p>2 Q It indicates here that Lawson has the</p> <p>3 number 2 market position, former number 1. Do you</p> <p>4 see that?</p> <p>5 A I do.</p> <p>6 Q Who is the number 1 market position now,</p> <p>7 if you know, in this healthcare footprint?</p> <p>8 A I don't know what they were using for a</p> <p>9 basis of the definition for the measurement. So I</p> <p>10 can't say.</p> <p>11 Q That's all I have in that document, sir.</p> <p>12 We talked a little bit before about some of the</p> <p>13 tools in the toolbox that marketing uses in order</p> <p>14 to promote Lawson products. Do you recall that?</p> <p>15 A Yes.</p> <p>16 Q And one of the things I think I recall</p> <p>17 seeing were press releases. Do you recall that?</p> <p>18 A Yes.</p> <p>19 Q And the marketing department is</p> <p>20 responsible for issuing the content of those press</p> <p>21 releases?</p> <p>22 A It is.</p>
<p>170</p> <p>1 Q Is it still a competitor?</p> <p>2 A Yes.</p> <p>3 Q And can you determine whether or not this</p> <p>4 document was created after or before the Intenia</p> <p>5 acquisition?</p> <p>6 A I can't say whether it was before or</p> <p>7 after the official merger of the companies. But I</p> <p>8 would say about that time.</p> <p>9 Q And what does the 60 and 70 refer to next</p> <p>10 to the "Intenia" and "Lawson"? Is that the number</p> <p>11 of customers?</p> <p>12 A To be honest with you, I don't know.</p> <p>13 Q Why don't you take a look at the page</p> <p>14 that ends 315, fiscal year '07 Growth Initiatives -</p> <p>15 Expand Healthcare Footprint. There's two columns,</p> <p>16 "Rationale" and "Initiatives." Do you see that?</p> <p>17 A Oh, 315. I'm sorry. Okay.</p> <p>18 Q Since 2007, has Lawson expanded the</p> <p>19 healthcare footprint in the S3 product?</p> <p>20 A Define "expanded footprint."</p> <p>21 Q Increased its revenues, increased its</p> <p>22 customer base.</p>	<p>172</p> <p>1 Q I'll show you that document, sir.</p> <p>2 (Frank Exhibit Number 21 was marked for</p> <p>3 identification and attached to the deposition</p> <p>4 transcript.)</p> <p>5 BY MR. ROBERTSON:</p> <p>6 Q For the record, while you're looking at</p> <p>7 this, this appears to be a press release available</p> <p>8 at the Lawson website, I believe.</p> <p>9 MR. SCHULTZ: Is this Exhibit 21?</p> <p>10 MR. ROBERTSON: Yes. I should have said</p> <p>11 that for the record. Thank you.</p> <p>12 BY MR. ROBERTSON:</p> <p>13 Q Exhibit 21 appears to be a press release,</p> <p>14 with a Bates label L 0065569 through 71. And let</p> <p>15 me ask you, after you've had an opportunity to look</p> <p>16 at it, if you've seen this document before.</p> <p>17 A I may have. But I don't recall the</p> <p>18 specific news release.</p> <p>19 Q The last page of Exhibit 21 has contacts,</p> <p>20 do you see that, Joe Thornton, is it Weber</p> <p>21 Shandwick, Jenny Meyers, or Karen Conway, do you</p> <p>22 see all that?</p>

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<p>173</p> <p>1 A I do.</p> <p>2 Q Are any of those people in the marketing</p> <p>3 department?</p> <p>4 A Yes.</p> <p>5 Q Which?</p> <p>6 A Joe Thornton.</p> <p>7 Q Is he in marketing communications?</p> <p>8 A He is our director of media relations.</p> <p>9 Q Would press releases of this type, like</p> <p>10 the brochures, the website, the webinars, and the</p> <p>11 white papers, and the web pages, be vetted by</p> <p>12 product management and legal before they're issued?</p> <p>13 A Yes.</p> <p>14 Q That's all I have for that document,</p> <p>15 thanks.</p> <p>16 (Frank Exhibit Number 22 was marked for</p> <p>17 identification and attached to the deposition</p> <p>18 transcript.)</p> <p>19 BY MR. ROBERTSON:</p> <p>20 Q Let me show you what I'm marking as</p> <p>21 Exhibit Number 22 and ask you to take a look at</p> <p>22 that. And for the record, it's a document entitled</p>	<p>175</p> <p>1 09 Q1, do you see that, Q1 year end?</p> <p>2 A It says "Q1 year end." That's why I'm</p> <p>3 not sure if they're talking about quarter, or for</p> <p>4 the year ending Q1, if it's a rolling 12 months.</p> <p>5 Q Do you know what the purpose of this</p> <p>6 document is?</p> <p>7 A I believe it is to communicate</p> <p>8 essentially traction or sales revenue for -- at a</p> <p>9 product level as opposed to at an industry level.</p> <p>10 Q Do you know who the audience for this</p> <p>11 document is?</p> <p>12 A I do not.</p> <p>13 Q Is it intended to be internal, or would</p> <p>14 it be for external consumption?</p> <p>15 A I believe it would be exclusively</p> <p>16 internal.</p> <p>17 Q And what leads you to believe that?</p> <p>18 A Well, one indicator would be, it says</p> <p>19 "Lawson - Company Confidential - Internal Use</p> <p>20 Only."</p> <p>21 Q Sensitive information as to product</p> <p>22 trends and sales?</p>
<p>174</p> <p>1 "Lawson S3 Applications Portfolio." It appears to</p> <p>2 be dated October 27, 2008. It bears the Bates</p> <p>3 label of LE 00231500 through 520.</p> <p>4 A Okay.</p> <p>5 Q Have you seen documents of this type</p> <p>6 before?</p> <p>7 A Not this particular document.</p> <p>8 Q How about documents of its type?</p> <p>9 A Looking just at the cover, it indicates</p> <p>10 that some of the content was taken from the</p> <p>11 corporate communications quarterly report, which is</p> <p>12 a report that the marketing department generates.</p> <p>13 Q Is that one of the reports that you</p> <p>14 mentioned this morning when I asked what type of</p> <p>15 documents the marketing department generates?</p> <p>16 A It is.</p> <p>17 Q This appears also to be a quarterly</p> <p>18 report, is that accurate?</p> <p>19 A It's hard to say if the time -- I can't</p> <p>20 say for sure if it's for a particular quarter or a</p> <p>21 different period of time.</p> <p>22 Q It says product report cards, fiscal year</p>	<p>176</p> <p>1 A Correct.</p> <p>2 Q Is this intended to be what it states,</p> <p>3 essentially a report card on how the S3 portfolio</p> <p>4 is doing?</p> <p>5 A That would be my interpretation. This</p> <p>6 would be a document created by the product</p> <p>7 management organization.</p> <p>8 Q Looking at the page that ends with the</p> <p>9 Bates label 503, on the left there's a pie chart,</p> <p>10 do you see that?</p> <p>11 A I do.</p> <p>12 Q I know it's difficult to read, but for</p> <p>13 this fiscal year '09 Q1 company wide charts, is</p> <p>14 this pie chart attempting to depict which</p> <p>15 geographic regions, down to the specific country,</p> <p>16 were responsible for the contracting share of the</p> <p>17 overall pie?</p> <p>18 A My interpretation, it is contracting for</p> <p>19 the entire year fiscal 2009 for S3.</p> <p>20 Q So for fiscal year 2009, 60 percent of</p> <p>21 the contracting revenues came from America; is that</p> <p>22 right?</p>

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<p>177</p> <p>1 A I'm having trouble seeing the number.</p> <p>2 But it's the large blue section.</p> <p>3 Q Is that consistent with your</p> <p>4 understanding as to the percentage of S3 sales that</p> <p>5 would have occurred in fiscal year 2009?</p> <p>6 A Generally speaking, yes.</p> <p>7 Q Why don't you take a look, there's a</p> <p>8 chart on the right that's probably easier to read,</p> <p>9 and at the top it says "FY08 Contracting" and "FY09</p> <p>10 Contracting." And then it says percent of total</p> <p>11 contracting, 60.02.</p> <p>12 A I see that.</p> <p>13 Q Is that consistent with your</p> <p>14 understanding of what the contracting revenue says</p> <p>15 of what sales of the S3 product were in those</p> <p>16 fiscal years?</p> <p>17 A Based on the numbers I see here, yes,</p> <p>18 that's how I would interpret it.</p> <p>19 Q Why the big drop-off between fiscal year</p> <p>20 '08 contracting and fiscal year '09 contracting?</p> <p>21 Is it because only half the year has been reported</p> <p>22 at this time? Let me not suggest an answer. The</p>	<p>179</p> <p>1 Suite. Do you see that?</p> <p>2 A I do.</p> <p>3 Q Would those SKUs, those product</p> <p>4 offerings, be within the rubric of the procurement</p> <p>5 solutions we've been talking about today?</p> <p>6 A I can't say for sure. But that would be</p> <p>7 my interpretation.</p> <p>8 Q Going on to the next page, there are</p> <p>9 again company-wide charts identifying top ten</p> <p>10 clients for total revenues, which include license,</p> <p>11 maintenance and service revenues, then broken down</p> <p>12 further to just license revenues, just maintenance</p> <p>13 revenue, just service revenue. Do you see that?</p> <p>14 A I do.</p> <p>15 Q And would that be -- and we're talking</p> <p>16 about just the report card on the S3 applications.</p> <p>17 So that's how I should understand those tables,</p> <p>18 total revenues and the breakdown of the three</p> <p>19 categories we talked about earlier?</p> <p>20 A I can't say for sure, because -- I can</p> <p>21 tell you there are M3 customers on this list as</p> <p>22 well.</p>
<p>178</p> <p>1 percentages are roughly the same, but there's a</p> <p>2 large drop-off.</p> <p>3 A I would -- off the top of my head I don't</p> <p>4 know the reason for that.</p> <p>5 Q Okay. Turn to the page that is 6 of 21</p> <p>6 of the document, it ends with the Bates label 505.</p> <p>7 A Okay.</p> <p>8 Q These are FY09 Q1 company wide charts,</p> <p>9 and there's a number of columns here. On the right</p> <p>10 side it says "Maintenance Revenues, FY08 Top Ten</p> <p>11 SKUs," do you see that?</p> <p>12 A I do.</p> <p>13 Q What is attempted -- were they attempting</p> <p>14 to depict here?</p> <p>15 A I can't say for sure. I didn't create</p> <p>16 the report. I would interpret it as this is taking</p> <p>17 our maintenance revenue, breaking it down at a</p> <p>18 product level.</p> <p>19 Q So one of the products is a purchase</p> <p>20 order system, PO, do you see that?</p> <p>21 A I do.</p> <p>22 Q And one is a PHS, Procurement Process</p>	<p>180</p> <p>1 Q Do you have customers who are both M3 and</p> <p>2 S3?</p> <p>3 A Yes.</p> <p>4 Q We touched upon this this morning as</p> <p>5 well, but the differences between M3 and S3 have to</p> <p>6 do with the industry sectors and some of the</p> <p>7 particular needs of an industry sector such as for</p> <p>8 manufacturing. I think one of the examples you</p> <p>9 gave were completion of a product, date the product</p> <p>10 would be manufactured and completed.</p> <p>11 A Correct.</p> <p>12 Q Is that the kind of functional</p> <p>13 difference, the difference between having to</p> <p>14 provide for a manufacturing industry's needs versus</p> <p>15 a servicing industry's needs?</p> <p>16 A It's much deeper than that. But it goes</p> <p>17 beyond my level of knowledge of the products.</p> <p>18 Q That's all I have for that document.</p> <p>19 (Frank Exhibit Number 23 was marked for</p> <p>20 identification and attached to the deposition</p> <p>21 transcript.)</p> <p>22 BY MR. ROBERTSON:</p>

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<p>181</p> <p>1 Q Let me show you what's been marked as</p> <p>2 Exhibit Number 23. Why don't you take a minute to</p> <p>3 look at that.</p> <p>4 MR. ROBERTSON: And for the record, this</p> <p>5 is a document that is entitled "Marketing</p> <p>6 Overview." It bears the name of Mr. Frank. And</p> <p>7 it's dated June 27th, 2008. It bears the Bates</p> <p>8 label of LE 00110178 through 204.</p> <p>9 BY MR. ROBERTSON:</p> <p>10 Q Have you seen this document before, sir?</p> <p>11 A I have.</p> <p>12 Q And did you in Frank -- in fact author</p> <p>13 it, Mr. Frank?</p> <p>14 A I did.</p> <p>15 Q And what was the purpose of the document?</p> <p>16 A It's a PowerPoint presentation, and it is</p> <p>17 a presentation that is typically used with new</p> <p>18 sales staff as a part of their training</p> <p>19 orientation.</p> <p>20 Q So that's the intended audience?</p> <p>21 A Correct, internal sales audience.</p> <p>22 Q Did you make the presentation to internal</p>	<p>183</p> <p>1 A It would be materials we would use as a</p> <p>2 part of our marketing campaigns.</p> <p>3 Q Is that -- some collateral we were</p> <p>4 talking about -- let me ask you this. Is some of</p> <p>5 the collateral we were talking about the model</p> <p>6 templates or answers for responses to RFPs?</p> <p>7 A No.</p> <p>8 Q Is it statistics on customers that have</p> <p>9 purchased products?</p> <p>10 A No.</p> <p>11 Q Maybe I misunderstood, then. Can you</p> <p>12 give me some examples of the collateral that you're</p> <p>13 talking about?</p> <p>14 A Sure. Collateral would be more external</p> <p>15 facing documents. So brochures, case studies,</p> <p>16 white papers, things that would actually be given</p> <p>17 to a customer or a prospect.</p> <p>18 Q And does the marketing department</p> <p>19 maintain the collateral?</p> <p>20 A Yes.</p> <p>21 Q Is there a centralized repository of it?</p> <p>22 A Yes.</p>
<p>182</p> <p>1 sales?</p> <p>2 A In some cases.</p> <p>3 Q Is it a presentation that's made more</p> <p>4 than once?</p> <p>5 A Yes.</p> <p>6 Q Do you know if this is the most recent</p> <p>7 version of the document?</p> <p>8 A It is not.</p> <p>9 Q You've used the term before, "a</p> <p>10 collateral." And I see it's used here in "Sales</p> <p>11 Empowerment," in "Sales toolkits," page 194, "Make</p> <p>12 collateral easy to find." What do you mean by the</p> <p>13 word "collateral" used in that way?</p> <p>14 A "Collateral" is a general term we use</p> <p>15 that includes really any type of marketing</p> <p>16 materials, so it could include brochures, white</p> <p>17 papers, case studies, etc. We generally just call</p> <p>18 it collateral.</p> <p>19 Q So it's information that might assist the</p> <p>20 sales department in expanding business?</p> <p>21 A Among other things, yes.</p> <p>22 Q What would be some of the other things?</p>	<p>184</p> <p>1 Q And where is that located?</p> <p>2 A It is located in a system we call Lawson</p> <p>3 Publish on Demand.</p> <p>4 Q Publish on Demand. Okay. Is that</p> <p>5 electronic format or hard copy, or both?</p> <p>6 A It is -- it's an online web-based</p> <p>7 resource where the documents can be downloaded</p> <p>8 electronically or they can be printed as well.</p> <p>9 Q This online resource, is it available to</p> <p>10 customers that register, as we discussed earlier?</p> <p>11 A No.</p> <p>12 Q It's only available internally to Lawson</p> <p>13 personnel?</p> <p>14 A That's correct.</p> <p>15 Q Primarily the sales force and marketing?</p> <p>16 A Primarily. But it's available to anyone</p> <p>17 in the company.</p> <p>18 Q So pretty much everything we've been</p> <p>19 talking about today that involved brochures and</p> <p>20 white papers and webinars are all part of this</p> <p>21 collateral and available to the sales force and to</p> <p>22 other Lawson personnel?</p>

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<p>185</p> <p>1 A No. Not everything.</p> <p>2 Q How would it be restricted?</p> <p>3 A You would not find webinars or PowerPoint</p> <p>4 presentations. Typically those wouldn't be</p> <p>5 external.</p> <p>6 Q If you turn to page 18 of the</p> <p>7 presentation, that's 195, that's not an actual</p> <p>8 picture of the materials, is it?</p> <p>9 A No. It's meant to be humorous.</p> <p>10 Q Is that -- the next page there that ends</p> <p>11 196, it says "Sales Toolkits," is this a depiction</p> <p>12 of the internal Intranet site that makes these</p> <p>13 things available? I could download some of these</p> <p>14 things you've been talking about?</p> <p>15 A Yes. That's correct.</p> <p>16 Q Are any of these collateral documents</p> <p>17 you've been talking about, are they all generated</p> <p>18 by marketing?</p> <p>19 A In which specific location?</p> <p>20 Q I'm confused. I thought they were</p> <p>21 available through an Intranet site that people</p> <p>22 could access.</p>	<p>187</p> <p>1 not intended to be shared with potential customers?</p> <p>2 A That's correct.</p> <p>3 Q Do you know whether or not those</p> <p>4 resources were searched to provide responsive</p> <p>5 documents in this litigation?</p> <p>6 A My understanding is they were.</p> <p>7 Q If you'll turn to the page that ends 199,</p> <p>8 there's a corporate slide deck, "More than 120</p> <p>9 slides." Do you see that?</p> <p>10 A I do.</p> <p>11 Q What is the corporate slide deck, sir?</p> <p>12 A It is a set of PowerPoint slides that</p> <p>13 includes kind of corporate overview. We have it</p> <p>14 broken out by different categories. You can see it</p> <p>15 there, by customers, by products, by industries,</p> <p>16 etc.</p> <p>17 Q What does LPS stand for?</p> <p>18 A Lawson Professional Services.</p> <p>19 Q You'll see at the page that ends 203,</p> <p>20 there's a "Lawson New Two-Day Course: Value</p> <p>21 Delivery." Is that a two-day course for the sales</p> <p>22 force? Sorry, I'll let you catch up. Or is that a</p>
<p>186</p> <p>1 A That is correct. But you're actually --</p> <p>2 what you're looking at on the page ending 196 is</p> <p>3 actually one of our sales toolkits which is online,</p> <p>4 but this is not Lawson Publish on Demand.</p> <p>5 Q Do you know whether or not the collateral</p> <p>6 was searched for responsive documents, the</p> <p>7 collateral library was searched for responsive</p> <p>8 documents in this case?</p> <p>9 A To my understanding, it was.</p> <p>10 Q Why don't you turn to the next page, that</p> <p>11 ends 197. There are a number of -- you said</p> <p>12 there's a menu on the right hand side, it says</p> <p>13 "Click a section to expand."</p> <p>14 A Yes.</p> <p>15 Q Some of the things that are available are</p> <p>16 brochures, customer presentations, example</p> <p>17 newsletter, correct?</p> <p>18 A Correct.</p> <p>19 Q And then there's things that are called</p> <p>20 internal only resources. Do you see that?</p> <p>21 A I do.</p> <p>22 Q Is that a resource that is by definition</p>	<p>188</p> <p>1 two-day course that's provided to potential</p> <p>2 customers?</p> <p>3 A I'm not sure.</p> <p>4 Q That's all I have for that document, sir.</p> <p>5 (Frank Exhibit Number 24 was marked for</p> <p>6 identification and attached to the deposition</p> <p>7 transcript.)</p> <p>8 BY MR. ROBERTSON:</p> <p>9 Q Let me show you what I've marked as</p> <p>10 Exhibit Number 24. I'll ask you to take a look at</p> <p>11 that. While you're doing that, for the record,</p> <p>12 it's entitled "Lawson Products: What's Next." It</p> <p>13 appears Mr. Frank may have been the author of the</p> <p>14 document. It's Bates labeled LE 00139675 through</p> <p>15 99.</p> <p>16 A Okay.</p> <p>17 Q Have you seen this document before?</p> <p>18 A I have.</p> <p>19 Q And are you in fact the author of the</p> <p>20 document?</p> <p>21 A I am.</p> <p>22 Q And what was the purpose of the document?</p>

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<p>189</p> <p>1 A In Asia-Pacific and in Europe over the</p> <p>2 last few years, since the merger of the companies,</p> <p>3 we've put on annual events called "What's Next."</p> <p>4 It's essentially to give our customers an idea of</p> <p>5 what the company's been doing. And one of the</p> <p>6 years I presented at the Asia-Pacific events,</p> <p>7 specific to Lawson's products.</p> <p>8 Q Can you assist me then in attempting to</p> <p>9 provide a time frame for when this document might</p> <p>10 have been presented?</p> <p>11 A It would have been presented in August</p> <p>12 time frame of 2007.</p> <p>13 Q Was the main purpose of this to provide</p> <p>14 information with respect to the M3 and S3 products?</p> <p>15 A Primarily M3.</p> <p>16 Q Why would it have been primarily M3 as</p> <p>17 opposed to S3?</p> <p>18 A In Asia-Pacific, the vast majority of our</p> <p>19 customers are M3 customers.</p> <p>20 Q Can you tell me, Lawson has the M3 ERP</p> <p>21 and S3 ERP. Do those two products account for the</p> <p>22 majority of the revenues that Lawson generates,</p>	<p>191</p> <p>1 Lawson offers besides M3 and S3?</p> <p>2 A There are several. So we have</p> <p>3 essentially five product lines; M3, S3, strategic</p> <p>4 human capital management, and then we also have the</p> <p>5 Lawson business development platform, and user</p> <p>6 productivity platform. Those are comprised of</p> <p>7 various products.</p> <p>8 Q If you'll take a look at the page that</p> <p>9 ends with the Bates label 691, there is a chart</p> <p>10 that has "Total Cost of Ownership - Average Cost</p> <p>11 Per User."</p> <p>12 A Yes.</p> <p>13 Q And so we're talking here primarily, if I</p> <p>14 understood you, to talk about M3. Is this chart</p> <p>15 attempting to depict and track the total average</p> <p>16 cost per user for the M3 product based on the</p> <p>17 volume of users?</p> <p>18 A No.</p> <p>19 Q Tell me what it's trying to depict.</p> <p>20 A It is actually all Lawson customers. So</p> <p>21 it would include S3 as well. But beyond that it is</p> <p>22 the average cost per user.</p>
<p>190</p> <p>1 that is, combined, compared to other products?</p> <p>2 A So you're asking specifically about</p> <p>3 license software or license revenue?</p> <p>4 Q Let's start with that.</p> <p>5 A M3/S3 combined, yes.</p> <p>6 Q Do you draw a distinction between license</p> <p>7 as opposed to maintenance? That is, let me ask it</p> <p>8 a different way. Does M3/S3 account for the</p> <p>9 majority of revenues for Lawson for maintenance</p> <p>10 fees?</p> <p>11 A Yes.</p> <p>12 Q How about for service fees?</p> <p>13 A Yes, same would be true.</p> <p>14 Q Combined for fiscal year 2009 for S3 and</p> <p>15 M3, what percentage of the total revenues of the</p> <p>16 company would be attributable to those products as</p> <p>17 opposed to any other product offering by Lawson?</p> <p>18 A I don't know the exact number, but a</p> <p>19 majority.</p> <p>20 Q More than 50 percent?</p> <p>21 A More than 50 percent.</p> <p>22 Q What's the other major product line that</p>	<p>192</p> <p>1 Q And you've got two price points for</p> <p>2 Oracle and SAP, do you see that?</p> <p>3 A Yes.</p> <p>4 Q And so do you know whether the source of</p> <p>5 that was as listed below, this Aberdeen Group</p> <p>6 report?</p> <p>7 A Yes, this is all data from Aberdeen.</p> <p>8 Q The Lawson data I presume is data Lawson</p> <p>9 generated, not Aberdeen; or is that not accurate?</p> <p>10 A Actually it's Aberdeen's data.</p> <p>11 Q Do you know whether it was accurate?</p> <p>12 A It was Aberdeen's report. So I can't</p> <p>13 speak to the accuracy.</p> <p>14 Q Maybe I misunderstood. I want to just</p> <p>15 understand this for a second. I see three points</p> <p>16 on here, Lawson, Oracle and SAP. So the only data</p> <p>17 available for Lawson was its cost per user at</p> <p>18 approximately, it looks like, 150 or so users?</p> <p>19 A That's correct.</p> <p>20 Q And the only available data for SAP was</p> <p>21 its cost per user at approximately, I don't know,</p> <p>22 somewhere like 400?</p>

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<p>193</p> <p>1 A Mm-hmm.</p> <p>2 Q And Oracle less than that, something like</p> <p>3 380, maybe? I'm just trying to read the chart.</p> <p>4 A Understand -- oh, so to help you</p> <p>5 understand the chart, so the line that you see is</p> <p>6 an aggregation of all of the vendors that</p> <p>7 participated in the study.</p> <p>8 Q I see.</p> <p>9 A The dot that you see for the three</p> <p>10 vendors including Lawson is based on that vendor's</p> <p>11 average number of users across its customer base.</p> <p>12 So Lawson, we're more of a mid-market company. We</p> <p>13 don't have as many average users.</p> <p>14 Q I see. I understand. That's all I have</p> <p>15 on that document, sir.</p> <p>16 (Frank Exhibit Number 25 was marked for</p> <p>17 identification and attached to the deposition</p> <p>18 transcript.)</p> <p>19 BY MR. ROBERTSON:</p> <p>20 Q Let me show you what I've marked as</p> <p>21 Exhibit Number 25 and ask you to take a look at</p> <p>22 that. While you're doing that, let me identify it</p>	<p>195</p> <p>1 Q LPS stands for Lawson Professional</p> <p>2 Services, and LGS stands for...</p> <p>3 A Lawson Global Support.</p> <p>4 Q And Lawson Professional Services provides</p> <p>5 services for the S3 and M3 products; is that right?</p> <p>6 A Yes.</p> <p>7 Q Does Lawson Global Support provide</p> <p>8 support for the M3 and S3 products?</p> <p>9 A Yes.</p> <p>10 Q That's all, thanks.</p> <p>11 MR. ROBERTSON: Why don't we take a</p> <p>12 break. We've been slogging through a lot of</p> <p>13 documents.</p> <p>14 MR. SCHULTZ: Okay.</p> <p>15 THE VIDEOGRAPHER: This marks the end of</p> <p>16 tape number 2 in the deposition of Mr. Frank.</p> <p>17 We're going off the record. The time is 2:29 p.m.</p> <p>18 (Recess.)</p> <p>19 THE VIDEOGRAPHER: This marks the</p> <p>20 beginning of tape number 3 in the deposition of</p> <p>21 Mr. Frank. We are now back on the record. The</p> <p>22 time is 2:39 p.m.</p>
<p>194</p> <p>1 for the record. It's a document entitled</p> <p>2 "Mainstreaming LPS/LGS Marketing." It appears to</p> <p>3 be dated August 2009, and the author is listed as</p> <p>4 Vicki Griffith from marketing. When you've had a</p> <p>5 chance to look at that, let me know.</p> <p>6 A I have.</p> <p>7 Q This is a fairly recent document,</p> <p>8 correct?</p> <p>9 A Yes.</p> <p>10 Q Does Ms. Griffith work for you?</p> <p>11 A She's he's an indirect report, not a</p> <p>12 direct report.</p> <p>13 Q Who does she directly report to?</p> <p>14 Mr. Travis?</p> <p>15 A Peter Quinn.</p> <p>16 Q Does Mr. Quinn work for you?</p> <p>17 A No, he reports to Travis White.</p> <p>18 Q Do you know what the purpose of the</p> <p>19 document was?</p> <p>20 A Generally speaking, just to give the</p> <p>21 marketing leadership team an understanding of the</p> <p>22 services and support business.</p>	<p>196</p> <p>1 MR. ROBERTSON: While I'm looking for it,</p> <p>2 why don't I give it to the witness.</p> <p>3 MR. SCHULTZ: Is it right under there?</p> <p>4 MR. ROBERTSON: Yes, thank you.</p> <p>5 (Frank Exhibit Number 26 was marked for</p> <p>6 identification and attached to the deposition</p> <p>7 transcript.)</p> <p>8 BY MR. ROBERTSON:</p> <p>9 Q Exhibit Number 26, Mr. Frank, did I mark</p> <p>10 that?</p> <p>11 A Yes.</p> <p>12 Q Okay. It's a document, for the record,</p> <p>13 entitled "S3 Supply Chain Management launch</p> <p>14 kick-off: Procurement Punchout and Procurement</p> <p>15 Card Self-Service." It appears to have been</p> <p>16 authored by a Sharon Bottensek, product management</p> <p>17 operations. It has a Bates label LE 00286037</p> <p>18 through 81. My question is, have you seen this</p> <p>19 document before?</p> <p>20 A I don't believe so, not that I recall.</p> <p>21 Q Do you know what the purpose of this</p> <p>22 document would have been?</p>

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<p>197</p> <p>1 A Yes.</p> <p>2 Q And what would that be, sir?</p> <p>3 A It would be for an internal launch event</p> <p>4 which would involve cross-functional groups across</p> <p>5 the company, rolling out particular products noted</p> <p>6 on the cover.</p> <p>7 Q Was this to educate these</p> <p>8 cross-functional groups as to the features and</p> <p>9 functionality of this new product rollout?</p> <p>10 A Among other things, yes.</p> <p>11 Q What would some of the other things be?</p> <p>12 A Typically it would involve timelines for</p> <p>13 the launch process, key dates, as well as plans,</p> <p>14 responsibilities, those types of things.</p> <p>15 Q Would the company want to be as accurate</p> <p>16 as possible in the representations as to the</p> <p>17 features and functionality of the rollout of this</p> <p>18 new product to its internal cross-functional</p> <p>19 groups?</p> <p>20 A Generally speaking, yes, we would want to</p> <p>21 be as accurate as possible. But it is an internal</p> <p>22 document.</p>	<p>199</p> <p>1 A I have not.</p> <p>2 Q Do you know -- strike that. What does</p> <p>3 SPF stand for, director of SPF?</p> <p>4 A I don't know.</p> <p>5 Q Do you know what the purpose of the</p> <p>6 document would have been?</p> <p>7 A I can only infer from the -- what I'm</p> <p>8 seeing. LPD stands for Lawson Product Development.</p> <p>9 I believe it's a document to give guidance to our</p> <p>10 sales organization around how to involve LPD in the</p> <p>11 RFP process.</p> <p>12 Q And LPD, again, stands for Lawson</p> <p>13 Product --</p> <p>14 A Development.</p> <p>15 Q You had mentioned that sales is primarily</p> <p>16 responsible for responding to the request for</p> <p>17 proposal, they sometimes seek guidance from</p> <p>18 marketing with respect to stock answers to common</p> <p>19 questions. You've now indicated that LPD sometimes</p> <p>20 can provide guidance. Is there any other</p> <p>21 department or division of Lawson that provides</p> <p>22 input with respect to responses to requests for</p>
<p>198</p> <p>1 Q That's all I have for that.</p> <p>2 (Frank Exhibit Number 27 was marked for</p> <p>3 identification and attached to the deposition</p> <p>4 transcript.)</p> <p>5 BY MR. ROBERTSON:</p> <p>6 Q Let me show you what's been marked as</p> <p>7 Exhibit 27 and ask you to take a look at that. We</p> <p>8 talked a little bit this morning about the</p> <p>9 responses to requests for proposal. Do you recall</p> <p>10 that?</p> <p>11 A I do.</p> <p>12 Q And those were requests made by potential</p> <p>13 or even existing customers as to some of the</p> <p>14 features and functionality of the software products</p> <p>15 that Lawson is offering?</p> <p>16 A Yes.</p> <p>17 Q This document is entitled "General LPD</p> <p>18 Guidance on Request for Proposal Engagement." It</p> <p>19 appears to have been authored by an Irene Orf,</p> <p>20 O-R-F, global director SPF, Q409, dated April 2009.</p> <p>21 It has the Bates number LE 00320958 through 5974.</p> <p>22 Have you seen this document before?</p>	<p>200</p> <p>1 proposal?</p> <p>2 A The one that I know for sure is product</p> <p>3 management. But there certainly could be others.</p> <p>4 Q If you look at the page that ends 966,</p> <p>5 there's a page that says "RFP Express Tool</p> <p>6 Overview" dated December 5, 2008. Do you see that?</p> <p>7 A Yes, I'm on that page.</p> <p>8 Q And it appears to have been authored by</p> <p>9 an MJ Martis-Bailey of the sales support team. Is</p> <p>10 there -- I'm turning to two pages after that</p> <p>11 document. It appears to be a user interface, a</p> <p>12 screenshot of a user interface that has the Lawson</p> <p>13 logo on it. And it says, "Users can use a</p> <p>14 Google-type search against multiple databases."</p> <p>15 Is there an internal search engine of</p> <p>16 multiple databases that provides information to</p> <p>17 help respond to RFPs?</p> <p>18 A I'm not specific with the -- I'm not</p> <p>19 aware of the details or by name. But this is,</p> <p>20 generally speaking, the reference tool, the library</p> <p>21 that I referred to earlier today.</p> <p>22 Q That had the template answers or the --</p>

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<p>201</p> <p>1 A That's correct.</p> <p>2 Q -- to common questions? Okay. Do you</p> <p>3 know whether or not someone can actually just cut</p> <p>4 and paste from this Intranet website to fill out an</p> <p>5 RFP?</p> <p>6 A I don't know.</p> <p>7 (Frank Exhibit Number 28 was marked for</p> <p>8 identification and attached to the deposition</p> <p>9 transcript.)</p> <p>10 BY MR. ROBERTSON:</p> <p>11 Q Let me show you what I've marked as</p> <p>12 Exhibit Number 28, which is entitled "A Response to</p> <p>13 Request for Proposal: CML Healthcare." It's dated</p> <p>14 April 30, 2009. It says it's prepared by Steve</p> <p>15 Porter, account executive, Lawson Software. And it</p> <p>16 has the Bates label L 0068848 through 942. Once</p> <p>17 you have had a chance to look at that, why don't</p> <p>18 you let me know.</p> <p>19 A Okay.</p> <p>20 Q I doubt you've seen specifically this</p> <p>21 document. But have you seen documents of its type</p> <p>22 before?</p>	<p>203</p> <p>1 A Yes.</p> <p>2 Q And one of it is EDI, correct?</p> <p>3 A Correct.</p> <p>4 Q And the Requisitions Self-Service that we</p> <p>5 talked about this morning.</p> <p>6 A Yes.</p> <p>7 Q And Procurement Punchout, which we also</p> <p>8 discussed.</p> <p>9 A Yes.</p> <p>10 Q So it's anticipated that's some of the</p> <p>11 software solutions that Lawson is offering to CML</p> <p>12 Healthcare to respond to its request, correct?</p> <p>13 A Correct.</p> <p>14 Q I'm not going to take you through this in</p> <p>15 detail, but just by way of example, if you'll turn</p> <p>16 to the page that ends 865, there appear to be a</p> <p>17 number of what are called corporate requirements in</p> <p>18 the description. Are you with me?</p> <p>19 A I'm on 865, but I don't see --</p> <p>20 Q "Corporate Requirements" is at the top,</p> <p>21 the heading, and then it's "Requirement," and it's</p> <p>22 dated on this page, I mean it's numbered 2, 3, 4,</p>
<p>202</p> <p>1 A I've had very limited exposure to our RFP</p> <p>2 responses.</p> <p>3 Q But this is consistent with your</p> <p>4 testimony earlier that the responses are typically</p> <p>5 prepared by the account executive for the customer;</p> <p>6 is that right?</p> <p>7 A That's correct.</p> <p>8 Q And does this document appear to have</p> <p>9 been prepared by Lawson or by CML Healthcare? Let</p> <p>10 me just indicate, to me it says "Lawson Proprietary</p> <p>11 and Confidential" on each page. So my question is,</p> <p>12 does Lawson take the questions in the RFP and input</p> <p>13 them into their own format? If you know.</p> <p>14 A I don't know the answer to that.</p> <p>15 Q This particular proposal appears to have</p> <p>16 been for a supply chain information system; is that</p> <p>17 right?</p> <p>18 A Based on the front cover, yes.</p> <p>19 Q And if you turn to the executive summary</p> <p>20 section, 1.0, that begins at page 852, there's a</p> <p>21 discussion of the applications that are going to be</p> <p>22 included in this package that's being offered.</p>	<p>204</p> <p>1 5.</p> <p>2 A Yes.</p> <p>3 Q Next to it there's a description, for</p> <p>4 example 2 has, "Will initial training be performed</p> <p>5 at onsite or at your facilities? Please describe."</p> <p>6 Do you see that?</p> <p>7 A I do.</p> <p>8 Q Just so I can understand the nature of</p> <p>9 this document. Then there's explanation or</p> <p>10 comments. That's where Lawson answers the question</p> <p>11 that's being posed, correct?</p> <p>12 A Correct. The column "Description," my</p> <p>13 understanding is, that is the question from the</p> <p>14 potential customer.</p> <p>15 Q So example number 6 here, it says, "What</p> <p>16 training materials (e.g., manuals, videotapes,</p> <p>17 CD-ROM, multimedia) are provided? Please list."</p> <p>18 And the response goes on to say, "For classroom</p> <p>19 training, there will be user guides and training</p> <p>20 workbooks," and "There are web-based training</p> <p>21 sessions available to our Online Learning Suite,"</p> <p>22 correct?</p>

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<p>205</p> <p>1 A Correct. That is Lawson's response.</p> <p>2 Q So that's how I can understand the</p> <p>3 document, there were the requests, the common</p> <p>4 questions, then Lawson goes through and provides</p> <p>5 its answers, like for example if you go through to</p> <p>6 the page that ends 876.</p> <p>7 A Okay.</p> <p>8 Q Number 5 there says, "How many customers</p> <p>9 with fully implemented systems do you have?" And</p> <p>10 Lawson is responding, we have 900 customers for one</p> <p>11 or more of our supply chain applications including</p> <p>12 300 healthcare customers, correct?</p> <p>13 A That is Lawson's response.</p> <p>14 Q Which would have been particularly</p> <p>15 relevant to CML Healthcare, to see that you have</p> <p>16 implemented for many healthcare customers, right?</p> <p>17 A Apparently so.</p> <p>18 Q And again, these RFPs, you indicated, you</p> <p>19 attempt to be as accurate as possible, and they're</p> <p>20 vetted by legal?</p> <p>21 A That is my understanding.</p> <p>22 Q Do you know who has responsibility at</p>	<p>207</p> <p>1 through 24. That's odd.</p> <p>2 I'm informed that this was produced in</p> <p>3 native file, so there's one Bates file, and then</p> <p>4 these were printed out from the native file.</p> <p>5 Have you seen this document before, sir?</p> <p>6 A No.</p> <p>7 Q Do you know what the purpose of the</p> <p>8 document would have been?</p> <p>9 A I don't.</p> <p>10 Q Do you know, would the intended audience</p> <p>11 be internal or external, if you know?</p> <p>12 A I don't know.</p> <p>13 Q Thank you, that's all I have for that.</p> <p>14 (Frank Exhibit Number 30 was marked for</p> <p>15 identification and attached to the deposition</p> <p>16 transcript.)</p> <p>17 BY MR. ROBERTSON:</p> <p>18 Q Let me show you what I've marked as</p> <p>19 Exhibit Number 30. I'll ask you to take a look at</p> <p>20 that. It's entitled "Lawson Fourth Quarter Report,</p> <p>21 Fiscal 2008." It says, "Marketing and Sales:</p> <p>22 Color Commentary By Industry, Region,</p>
<p>206</p> <p>1 Lawson for determining the cost proposals set forth</p> <p>2 in the responses to RFPs?</p> <p>3 A I don't.</p> <p>4 Q Does the account executive have authority</p> <p>5 to do that costing?</p> <p>6 A I know the account executive has a role,</p> <p>7 and there are limitations around what an account</p> <p>8 executive can do from a pricing perspective. But I</p> <p>9 don't know the formal process. Marketing's not</p> <p>10 involved.</p> <p>11 Q Thank you, that's all.</p> <p>12 (Frank Exhibit Number 29 was marked for</p> <p>13 identification and attached to the deposition</p> <p>14 transcript.)</p> <p>15 BY MR. ROBERTSON:</p> <p>16 Q Let me show you what's been marked as</p> <p>17 Exhibit 29. While you're looking at it, let me</p> <p>18 read into the record, it's entitled "Lawson</p> <p>19 Supplier Relationship Management Briefing." It</p> <p>20 appears to have been authored by Keith Lohkamp,</p> <p>21 product strategist, SCM. It has a copyright of</p> <p>22 2006. And it bears the Bates label of LE 00215560</p>	<p>208</p> <p>1 Services/Support, and Key Products." It's</p> <p>2 assembled by corporate communications, and it bears</p> <p>3 the Bates label of LE 00309688 through 9750.</p> <p>4 Let me know when you've finished</p> <p>5 reviewing it.</p> <p>6 A I have.</p> <p>7 Q Have you seen documents of this type</p> <p>8 before?</p> <p>9 A I have.</p> <p>10 Q Is this one of the documents that you</p> <p>11 indicated this morning that the marketing</p> <p>12 department makes a contribution to on a quarterly</p> <p>13 basis?</p> <p>14 A Yes, it is.</p> <p>15 Q So for example, if you look at --</p> <p>16 actually, strike that. Why don't you look at the</p> <p>17 table of contents and see if you can identify</p> <p>18 anything there that marketing would have</p> <p>19 contributed to.</p> <p>20 A Where you see the strategic verticals and</p> <p>21 regions, each of those would have had a marketing</p> <p>22 director associated with that organization, with</p>

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<p>209</p> <p>1 that group, and would have contributed a part of</p> <p>2 the process.</p> <p>3 Q On the very next page there's a number of</p> <p>4 news releases. And marketing would have been the</p> <p>5 author of the content of those news releases?</p> <p>6 A Yes.</p> <p>7 Q They're all underlined, suggesting to me</p> <p>8 that I might be able to link through to the actual</p> <p>9 news release. Is that available in the electronic</p> <p>10 format of this document?</p> <p>11 A I would be guessing, but I believe that's</p> <p>12 the case, that's why it would be underlined.</p> <p>13 Q Who is the audience for documents of this</p> <p>14 type?</p> <p>15 A Primarily our CEO and CFO, as a part of</p> <p>16 the preparation process for earnings calls. But</p> <p>17 it's also distributed to senior leadership across</p> <p>18 the company.</p> <p>19 Q At page 13 there's a "Competitive</p> <p>20 Behavior/Analysis: Competition Overall."</p> <p>21 A I'm sorry, what page?</p> <p>22 Q 13 of the document. It ends with the</p>	<p>211</p> <p>1 You've got -- the document has top wins and losses</p> <p>2 listed.</p> <p>3 A Yes.</p> <p>4 Q So you see you have here Greenville</p> <p>5 schools, South Carolina, revenue was \$1.175</p> <p>6 million, license for 200 users, \$3.8 million or so</p> <p>7 for services, and \$219,600 for annual maintenance</p> <p>8 based on the new business deal. Do you see that?</p> <p>9 A I do.</p> <p>10 Q And this particular deal included S3 core</p> <p>11 suites of EFM, HCM and SCM, correct?</p> <p>12 A That's what it states, yes.</p> <p>13 Q And SCM, again, would be Supply Chain</p> <p>14 Management?</p> <p>15 A Correct.</p> <p>16 Q So that software solution was sold as</p> <p>17 part of the S3 suite to Greenville, South Carolina</p> <p>18 schools?</p> <p>19 A At a high level, yes. But the components</p> <p>20 that were actually sold within Supply Chain</p> <p>21 Management could vary greatly by deal. Essentially</p> <p>22 if there's one product from the suite included, it</p>
<p>210</p> <p>1 Bates label 700.</p> <p>2 A Okay.</p> <p>3 Q Is marketing responsible for the</p> <p>4 information contained herein, or would that be some</p> <p>5 other business group within Lawson?</p> <p>6 A Another business group at Lawson.</p> <p>7 Q Who would that be?</p> <p>8 A Generally this information would be</p> <p>9 coming from the sales operations organization, and</p> <p>10 possibly product management.</p> <p>11 Q So this fourth quarter report would be</p> <p>12 the quarter ending May 31, 2008; is that right?</p> <p>13 A That is correct.</p> <p>14 Q Does this break out the sales by product,</p> <p>15 whether it be M3 or S3? Or is it just on a global</p> <p>16 basis? I don't see it.</p> <p>17 A I believe it gives some basic product</p> <p>18 information. But that's not the intent of the</p> <p>19 document.</p> <p>20 Q You talked about the strategic verticals.</p> <p>21 For example, there's one at page 15 of the document</p> <p>22 that ends with the Bates label 702, public sector.</p>	<p>212</p> <p>1 will be listed as a Supply Chain Management deal.</p> <p>2 Q There are some details that are listed</p> <p>3 with respect to the specific modules that are</p> <p>4 provided in that sale, for example. If you look at</p> <p>5 the next page, first line, there was Procurement</p> <p>6 Punchout, and there was Self-Service, which I might</p> <p>7 infer to be the self-service requisition module.</p> <p>8 A I'm not sure.</p> <p>9 Q But again, if you look down at the City</p> <p>10 of Lafayette, about halfway through, they're</p> <p>11 identifying in the middle there, or actually two</p> <p>12 lines up from the bullet point City of Avondale,</p> <p>13 Arizona, again, Procurement Punchout, Self-Service,</p> <p>14 seem to be part of the Supply Chain Management</p> <p>15 module.</p> <p>16 A That's correct.</p> <p>17 Q It says, "Deal includes all S3 core</p> <p>18 suites." And then it, open parentheses, includes</p> <p>19 EFM, HCM, and SCM, do you see that?</p> <p>20 A You're still in the City of Lafayette?</p> <p>21 Q Yes, sir.</p> <p>22 A I see that.</p>

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<p>213</p> <p>1 Q So SCM, Supply Chain Management, is</p> <p>2 considered a core S3 suite?</p> <p>3 A That's correct.</p> <p>4 Q That's all I have on that document.</p> <p>5 (Frank Exhibit Number 31 was marked for</p> <p>6 identification and attached to the deposition</p> <p>7 transcript.)</p> <p>8 BY MR. ROBERTSON:</p> <p>9 Q Let me show you what I've marked as</p> <p>10 Exhibit Number 31. It's a two-page document</p> <p>11 entitled "Lawson Battle Card: Lawson M3</p> <p>12 e-Procurement, September 2007." And it has the</p> <p>13 Bates label L 0134159 to 60. Have you had an</p> <p>14 opportunity to look through it?</p> <p>15 A I have.</p> <p>16 Q Have you seen this document before?</p> <p>17 A No.</p> <p>18 Q It says at the bottom, "Lawson</p> <p>19 E-Procurement Internal Sales Sheet, for Internal</p> <p>20 Use Only - Not for Distributions to Clients." Do</p> <p>21 you see that?</p> <p>22 A I do.</p>	<p>215</p> <p>1 Q So the salesperson can use this to</p> <p>2 provide detailed information about, in this</p> <p>3 instance, the M3 e-Procurement software solution as</p> <p>4 of September 2007 to a potential customer?</p> <p>5 A Potentially.</p> <p>6 Q What else would they use it for?</p> <p>7 A Some of the content is not intended to be</p> <p>8 communicated externally. So it's for their</p> <p>9 knowledge, but it's not information that can be</p> <p>10 directly then communicated to prospects or</p> <p>11 customers.</p> <p>12 Q Can you give me an example of something</p> <p>13 that is not intended to be communicated to a</p> <p>14 potential client or customer?</p> <p>15 A Typically it will include information --</p> <p>16 I don't see it in this particular one, but like our</p> <p>17 prospect size. And actually you will see that in</p> <p>18 this one, it's the last piece, where we talk about</p> <p>19 our target market, what types of organizations we</p> <p>20 market. That's not the type of information we</p> <p>21 would communicate externally.</p> <p>22 Q You indicated earlier that -- when we</p>
<p>214</p> <p>1 Q Can I infer from your answer that you</p> <p>2 haven't seen it before, that this would not be</p> <p>3 something that marketing would generate?</p> <p>4 A Marketing actually would generate this</p> <p>5 document.</p> <p>6 Q With input from product management?</p> <p>7 A With input from a number of groups,</p> <p>8 including product management.</p> <p>9 Q And since it's for internal use only, who</p> <p>10 would be the intended audience for this document?</p> <p>11 A Sales organization.</p> <p>12 Q And what would the sales organization do</p> <p>13 with such an internal document, if it could be</p> <p>14 distributed to clients?</p> <p>15 A It's essentially meant to be a primer to</p> <p>16 make sure they're up to speed on the latest key</p> <p>17 messaging, latest customers, wins, those types of</p> <p>18 things.</p> <p>19 Q For lack of a better word, is it kind of</p> <p>20 a cheat sheet to use when you're talking --</p> <p>21 A Sure, it's another way of characterizing</p> <p>22 it.</p>	<p>216</p> <p>1 were discussing that chart that compared Lawson to</p> <p>2 Oracle and SAP, that Lawson's, for lack of a better</p> <p>3 word, core customers were more of a mid-size</p> <p>4 company; is that right?</p> <p>5 A We had a lower average number of users</p> <p>6 per customer.</p> <p>7 Q Is it generally true that the larger the</p> <p>8 number of users, the lower the pricing is for the</p> <p>9 product?</p> <p>10 A I can't answer that.</p> <p>11 Q For customer size, is it better that</p> <p>12 Lawson target larger number of users or lower</p> <p>13 number of users?</p> <p>14 A Again, I can't answer that question.</p> <p>15 Q Do you know who within marketing would</p> <p>16 have been -- prepared this document or would have</p> <p>17 been the author of it?</p> <p>18 A The person primarily responsible for it</p> <p>19 is typically the marketing director for the given</p> <p>20 business unit or area.</p> <p>21 Q This document seems to straddle several</p> <p>22 business sectors, including -- they have reference</p>

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<p>217</p> <p>1 customers of automotive and office supplies and</p> <p>2 manufacturing, correct, under "Reference Customers"</p> <p>3 on the second page?</p> <p>4 A Yes.</p> <p>5 Q Would there be a similar type of document</p> <p>6 for S3 e-Procurement?</p> <p>7 A I don't know.</p> <p>8 Q It says -- the title of this document is</p> <p>9 "Battle Card." Is that sort of, here's your</p> <p>10 weaponry to go to war to win the business?</p> <p>11 A I wouldn't say that. It's a common term</p> <p>12 used in sales and marketing. We see it across many</p> <p>13 different companies, many companies I've worked</p> <p>14 for. It's a standard term that's used.</p> <p>15 Q Would it be the objective of marketing</p> <p>16 with input from product management to provide an</p> <p>17 accurate description of the functions and</p> <p>18 description of the M3 Procurement in this document?</p> <p>19 A Generally speaking, yes, we would want</p> <p>20 the information to be accurate. But again, it is</p> <p>21 focused on an internal audience.</p> <p>22 Q You're not trying to mislead your</p>	<p>219</p> <p>1 A I have not.</p> <p>2 Q Can you tell by looking at it if this</p> <p>3 appears to be a list of customers for certain</p> <p>4 product offerings of Lawson?</p> <p>5 A I can't say for sure what the purpose is.</p> <p>6 Q The SKU number at the right, do you see</p> <p>7 that?</p> <p>8 A I do.</p> <p>9 Q Underneath it there are a number of</p> <p>10 acronyms, I guess, or there are letters, typically</p> <p>11 there are two, sometimes three letters that appear</p> <p>12 in that column throughout the document. Do you see</p> <p>13 that?</p> <p>14 A I do.</p> <p>15 Q Do you recognize any of those SKU</p> <p>16 numbers? Or SKU letters, excuse me.</p> <p>17 A Specifically, no. But I recognize them</p> <p>18 as the internal codes that we use to identify</p> <p>19 specific products.</p> <p>20 Q So would RQ likely be requisition? Do</p> <p>21 you know if that's --</p> <p>22 A I don't know for sure.</p>
<p>218</p> <p>1 internal sales force, are you?</p> <p>2 A No.</p> <p>3 (Frank Exhibit Number 32 was marked for</p> <p>4 identification and attached to the deposition</p> <p>5 transcript.)</p> <p>6 BY MR. ROBERTSON:</p> <p>7 Q Was that 31?</p> <p>8 A 31, yes.</p> <p>9 Q Let me show you what I'm marking as</p> <p>10 Exhibit 32 and ask you to take a minute to look at</p> <p>11 it. It appears to be a list that contains customer</p> <p>12 IDs and customer names, addresses, and SKU numbers.</p> <p>13 And I gather it was printed --</p> <p>14 MR. ROBERTSON: Was this produced in</p> <p>15 native format and that's why there's no Bates</p> <p>16 label?</p> <p>17 MS. ALBERT: Yes.</p> <p>18 BY MR. ROBERTSON:</p> <p>19 Q You see the Bates label at the top, L</p> <p>20 0135749? The general question I have is, have you</p> <p>21 seen this document before, or documents of its</p> <p>22 type?</p>	<p>220</p> <p>1 Q Do you know whether PO would be purchase</p> <p>2 order?</p> <p>3 A I can't say for sure.</p> <p>4 Q Internally, do you know what IC would be</p> <p>5 used for?</p> <p>6 A I couldn't say for sure.</p> <p>7 Q How about SIP?</p> <p>8 A Couldn't say for sure.</p> <p>9 Q Who is knowledgeable about the SKU</p> <p>10 designations that are used for the various software</p> <p>11 modules, which division of the company?</p> <p>12 A Product management.</p> <p>13 Q That's all I have for that document.</p> <p>14 (Frank Exhibit Number 33 was marked for</p> <p>15 identification and attached to the deposition</p> <p>16 transcript.)</p> <p>17 BY MR. ROBERTSON:</p> <p>18 Q Let me show you what I'm going to mark as</p> <p>19 Exhibit Number 33. I'll ask you to take a look at</p> <p>20 that. While you're doing that I'll state for the</p> <p>21 record, it is a document entitled "LPD kickoff -</p> <p>22 M&D, June 2009." There's a typo in it, it should</p>

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<p>221</p> <p>1 be "Understanding Customer Industries." And it has</p> <p>2 the Bates label LE 00015771 through 805.</p> <p>3 And my first question is, have you seen</p> <p>4 this document before?</p> <p>5 A No.</p> <p>6 Q And LPD stands for Lawson Product</p> <p>7 Development, correct?</p> <p>8 A That's correct.</p> <p>9 Q M&D stands for?</p> <p>10 A Manufacturing and distribution.</p> <p>11 Q And Mr. Cornelius, who appears to be the</p> <p>12 author of this document, is in the LPD group; is</p> <p>13 that right?</p> <p>14 A Yes.</p> <p>15 Q Would marketing have any input in a</p> <p>16 document of this type?</p> <p>17 A LPD could potentially use some marketing</p> <p>18 materials or content. But we're not involved, no.</p> <p>19 Q Would this be for internal use and</p> <p>20 education?</p> <p>21 A I can't say for sure, but based on what</p> <p>22 I'm seeing, I would assume that's what it's for.</p>	<p>223</p> <p>1 sorry. It was a marketing overview document you</p> <p>2 did about two weeks prior. It just occurred to me</p> <p>3 that several of the slides were similar or the</p> <p>4 same.</p> <p>5 A Yes. That's accurate.</p> <p>6 Q And so I understood what the purpose of</p> <p>7 Exhibit Number 23, this marketing overview</p> <p>8 presentation you made, did I misunderstand, I</p> <p>9 thought this document, Exhibit Number 23, was for</p> <p>10 that presentation you made to the Asian group.</p> <p>11 A For "What's Next"? Actually this</p> <p>12 presentation, 23, was what's used -- had been used</p> <p>13 for sales orientations, training.</p> <p>14 Q So what was the purpose of Exhibit 34?</p> <p>15 Which is this marketing strategy and alignment,</p> <p>16 North American kickoff.</p> <p>17 A This was a sales kickoff meeting for M3</p> <p>18 groups in North America.</p> <p>19 Q That's all I have on that one.</p> <p>20 (Frank Exhibit Number 35 was marked for</p> <p>21 identification and attached to the deposition</p> <p>22 transcript.)</p>
<p>222</p> <p>1 Q That's all I have for that document.</p> <p>2 (Frank Exhibit Number 34 was marked for</p> <p>3 identification and attached to the deposition</p> <p>4 transcript.)</p> <p>5 BY MR. ROBERTSON:</p> <p>6 Q I'll show you what I've marked as Exhibit</p> <p>7 Number 34. I'll ask you to take a moment to look</p> <p>8 at that while I identify it. It's called</p> <p>9 "Marketing Strategy and Alignment: M3 North</p> <p>10 America Kickoff." It bears the name of Jeff Frank,</p> <p>11 VP Americas marketing, dated July 10, 2008, bearing</p> <p>12 the Bates label LE 00110164 through 176.</p> <p>13 Have you seen this document before,</p> <p>14 Mr. Frank?</p> <p>15 A Yes.</p> <p>16 Q Were you the author of it?</p> <p>17 A Yes.</p> <p>18 Q This document appears to me to be very</p> <p>19 similar to the other exhibit we saw for the</p> <p>20 presentation you made at the Asian conference.</p> <p>21 A No. Not to that document.</p> <p>22 Q If you pull out Exhibit Number 23, I'm</p>	<p>224</p> <p>1 BY MR. ROBERTSON:</p> <p>2 Q Let me show you what's been marked</p> <p>3 Exhibit Number 35. This document is entitled</p> <p>4 "Lawson S3 Customer Marketing Campaign," second</p> <p>5 half fiscal '09. It bears the name of Jeff Frank,</p> <p>6 revised December 12, 2008, bearing Bates label LE</p> <p>7 00263420 through 424. Have you had a chance to</p> <p>8 look at that, Mr. Frank?</p> <p>9 A I have.</p> <p>10 Q Were you in fact the author of the</p> <p>11 document?</p> <p>12 A I was.</p> <p>13 Q And was this document prepared for</p> <p>14 internal purposes?</p> <p>15 A Yes.</p> <p>16 Q And what was the purpose?</p> <p>17 A This was an early version, overview of a</p> <p>18 campaign that we were developing for the second</p> <p>19 half of our fiscal year 2009.</p> <p>20 Q With respect to the S3 software product?</p> <p>21 A That's correct.</p> <p>22 Q And you said an early version. Was there</p>

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<p>225</p> <p>1 a final version prepared?</p> <p>2 A There would have been subsequent versions</p> <p>3 created, yes.</p> <p>4 Q Did you utilize this version internally,</p> <p>5 or can you tell from the cover page that it wasn't</p> <p>6 actually utilized?</p> <p>7 A This would have been used internally.</p> <p>8 Q I guess what I'm trying to understand is,</p> <p>9 you said it was an early version. So I guess I'm</p> <p>10 wondering, was this a draft that you never actually</p> <p>11 utilized, or was there a final version of this that</p> <p>12 became the one you used?</p> <p>13 A This would have been used, but there were</p> <p>14 updated versions. This particular campaign evolved</p> <p>15 into a program we called Lawson VIP.</p> <p>16 Q And were there internal presentations and</p> <p>17 PowerPoints prepared with respect to Lawson VIP?</p> <p>18 A Yes.</p> <p>19 Q And does that include the S3 software</p> <p>20 product?</p> <p>21 A It does.</p> <p>22 Q Does it also include the M3 software</p>	<p>227</p> <p>1 Q Does he work for you?</p> <p>2 A He does not.</p> <p>3 Q Who does he work for?</p> <p>4 A Martin Hill.</p> <p>5 Q Who is Martin Hill?</p> <p>6 A He is vice president of marketing for</p> <p>7 EMEA.</p> <p>8 Q And that -- what's EMEA again?</p> <p>9 A Europe, Middle East.</p> <p>10 Q Okay.</p> <p>11 A Primarily Europe.</p> <p>12 (Frank Exhibit Number 36 was marked for</p> <p>13 identification and attached to the deposition</p> <p>14 transcript.)</p> <p>15 BY MR. ROBERTSON:</p> <p>16 Q Let me show you what I'm going to mark as</p> <p>17 Exhibit Number 36, which appears to be an e-mail</p> <p>18 string that is dated -- the first e-mail is dated</p> <p>19 November 8, 2005 from a Vicki Griffith at Lawson.</p> <p>20 It bears the Bates label LE 00553268. And I</p> <p>21 believe you appear to be copied on that e-mail. Do</p> <p>22 you see that?</p>
<p>226</p> <p>1 product?</p> <p>2 A It does not.</p> <p>3 Q What does VIP stand for?</p> <p>4 A It was Value Improvement Program.</p> <p>5 Q And why did you have that program just</p> <p>6 for S3 and not M3?</p> <p>7 A It's a company decision.</p> <p>8 Q Is there a separate program for M3 that</p> <p>9 would be corresponding to the S3 Value Improvement</p> <p>10 Program?</p> <p>11 A Yes.</p> <p>12 Q And what would that be called?</p> <p>13 A M3 VIP.</p> <p>14 Q Okay. And would marketing have produced</p> <p>15 a campaign document for that?</p> <p>16 A Yes.</p> <p>17 Q Do you know whether or not you authored</p> <p>18 such a document?</p> <p>19 A I did not.</p> <p>20 Q Do you know who authored it?</p> <p>21 A I believe it was authored by Dieter</p> <p>22 Rosconi.</p>	<p>228</p> <p>1 A I do.</p> <p>2 Q And it appears that the initial e-mail</p> <p>3 went out on November 7, 2005, from a Steffan</p> <p>4 Haithcox at Lawson. You appear to have also been</p> <p>5 copied on that. The subject line was, "Help</p> <p>6 needed: Top 10 clients." Do you see that?</p> <p>7 A I do.</p> <p>8 Q In essence Mr. Haithcox indicates to the</p> <p>9 recipients that he needs help because he has a</p> <p>10 meeting with a CFO the following week that has</p> <p>11 approximately 150,000 employees and \$30 billion in</p> <p>12 revenue, do you see that?</p> <p>13 A Yes, I do.</p> <p>14 Q And one of the hurdles he identifies is</p> <p>15 scalability. Do you see that?</p> <p>16 A Yes.</p> <p>17 Q And by "scalability," do you understand</p> <p>18 that to mean whether Lawson has the capability to</p> <p>19 provide a product that could accommodate a company</p> <p>20 of that size and revenue?</p> <p>21 A That's my interpretation.</p> <p>22 Q In other words, that Lawson needs to</p>

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<p>229</p> <p>1 provide this potential healthcare client with a</p> <p>2 software solution that can scale to the size of a</p> <p>3 company that is the prospective customer; correct?</p> <p>4 A That's how I would interpret it.</p> <p>5 Q And so Mr. Haithcox would like the</p> <p>6 recipients of this e-mail to identify some top ten</p> <p>7 clients that have revenue numbers, employee numbers</p> <p>8 that might be comparable to this potential target;</p> <p>9 is that fair to say?</p> <p>10 A Yes.</p> <p>11 Q So the response from Vicki Griffith</p> <p>12 identifies a number of customers that have</p> <p>13 significant employees and significant revenues, for</p> <p>14 example Sara Lee Corporation has 130,000 employees</p> <p>15 and \$19 billion in revenue last year. Do you see</p> <p>16 that?</p> <p>17 A I do.</p> <p>18 Q And after Sara Lee, for example, it says</p> <p>19 "Fin/HR/Proc." Do you see that?</p> <p>20 A I do.</p> <p>21 Q Would that suggest to you that Lawson is</p> <p>22 providing Sara Lee Corporation with software</p>	<p>231</p> <p>1 A I don't know.</p> <p>2 Q From time to time, though, in your role</p> <p>3 as the vice president of marketing for the</p> <p>4 Americas, you do provide anecdotal information as</p> <p>5 to customers of the company, to other outside</p> <p>6 customers; is that right? Let me rephrase the</p> <p>7 question.</p> <p>8 One of the things I understood you to</p> <p>9 indicate was that sometimes customers are</p> <p>10 interested to see whether or not you are servicing</p> <p>11 similar customers in their industry sector,</p> <p>12 correct?</p> <p>13 A Yes.</p> <p>14 Q Is it marketing that pulls this</p> <p>15 information together?</p> <p>16 A In some cases, yes.</p> <p>17 Q Can marketing -- strike that. Vicki</p> <p>18 Griffith, is she in your marketing group?</p> <p>19 A She is, yes.</p> <p>20 Q So Vicki was able to access information</p> <p>21 in November of 2005 to identify the top ten clients</p> <p>22 of the company with respect to revenues and</p>
<p>230</p> <p>1 solutions involving finance, human resources and</p> <p>2 procurement?</p> <p>3 A At a very high level, yes. What</p> <p>4 particular applications they have, I don't know.</p> <p>5 Q Understood. That level of detail is</p> <p>6 certainly not provided in this e-mail response,</p> <p>7 correct?</p> <p>8 A Correct.</p> <p>9 Q One of the companies that's identified</p> <p>10 here as of November 2005 is Gannett. Do you see</p> <p>11 that?</p> <p>12 A Yes.</p> <p>13 Q And at a high level it appears that the</p> <p>14 software solutions being offered are Finance,</p> <p>15 Procurement, and LRS, do you see that?</p> <p>16 A Yes.</p> <p>17 Q Refresh me, LRS stands for?</p> <p>18 A It at that time stood for Lawson</p> <p>19 Reporting Suite.</p> <p>20 Q Do you know from your own personal</p> <p>21 knowledge whether Gannett was a Lawson customer in</p> <p>22 November of 2005?</p>	<p>232</p> <p>1 employees; is that right?</p> <p>2 A Yes.</p> <p>3 Q Is that something you could access if you</p> <p>4 needed to, to provide to a potential client so that</p> <p>5 they could see that Lawson had the scalability to</p> <p>6 handle its software needs?</p> <p>7 A It is something I -- it is data I have</p> <p>8 access to. Generally speaking I wouldn't be the</p> <p>9 person communicating that to a customer or</p> <p>10 prospect. It would be the account executive.</p> <p>11 Q Do you know if Steffan Haithcox was in</p> <p>12 sales or in marketing or some other department?</p> <p>13 A At that time I believe he was in an</p> <p>14 industry strategy director role.</p> <p>15 Q And what department or division of the</p> <p>16 company would that be?</p> <p>17 A Product management.</p> <p>18 Q Do you know if Sara Lee is still a client</p> <p>19 of the company?</p> <p>20 A I don't know for sure.</p> <p>21 Q Do you know whether Lawson still provides</p> <p>22 procurement software to Gannett?</p>

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<p>233</p> <p>1 A No, I don't know.</p> <p>2 (Frank Exhibit Number 37 was marked for</p> <p>3 identification and attached to the deposition</p> <p>4 transcript.)</p> <p>5 BY MR. ROBERTSON:</p> <p>6 Q Let me show you what's been marked as</p> <p>7 Exhibit Number 37. I'll ask you to take a minute</p> <p>8 to look at that. The cover page indicates that it</p> <p>9 is VIP promotion as of May 7, 2009. It bears a</p> <p>10 Bates label of LE 00110275. I believe what was</p> <p>11 printed out afterwards was in native format,</p> <p>12 because it all has the same Bates label.</p> <p>13 And can you tell me if you recognize what</p> <p>14 this document is?</p> <p>15 A I do.</p> <p>16 Q What is it, sir?</p> <p>17 A Well, there are three elements to it.</p> <p>18 The first two I recognize. The first document is a</p> <p>19 summary report on the progress performance of the</p> <p>20 S3 VIP program.</p> <p>21 Q How can you tell it's S3 and not M3?</p> <p>22 A Based on the numbers, and actually the S3</p>	<p>235</p> <p>1 Gannett. Do you see that? It's about seven or</p> <p>2 eight names down.</p> <p>3 A I do.</p> <p>4 Q It says "Gannett/VIP-PFI, LSF." Are PFI</p> <p>5 and LSF software solutions that Lawson has a</p> <p>6 potential opportunity to sell to Gannett or license</p> <p>7 to Gannett?</p> <p>8 A That's what the opportunity name</p> <p>9 indicates, yes.</p> <p>10 Q Do you know what PFI or LSF stands for,</p> <p>11 what software solution?</p> <p>12 A Yes.</p> <p>13 Q What is it?</p> <p>14 A PFI stands for Process Flow Integrator.</p> <p>15 And LSF stands for Lawson System Foundation.</p> <p>16 Q Since there's an account name for Gannett</p> <p>17 Supply Corporation, would this suggest to you that</p> <p>18 Gannett Supply has an open account with Lawson?</p> <p>19 A Yes.</p> <p>20 Q So under "Account Name," would all these</p> <p>21 be existing customers of Lawson?</p> <p>22 A Yes, because it's for the VIP program</p>
<p>234</p> <p>1 program took place in Q3 and Q4 of our last fiscal</p> <p>2 year. The M3 program is taking place during Q1 and</p> <p>3 Q2 of this fiscal year. And the second form I</p> <p>4 recognize generally as a pipeline report.</p> <p>5 Q And what's a pipeline report?</p> <p>6 A It is reporting on the status of</p> <p>7 opportunities in the sales pipeline.</p> <p>8 Q The first column in the second page of</p> <p>9 Exhibit Number 37 is an opportunity name?</p> <p>10 A Yes.</p> <p>11 Q And then the next column is entitled</p> <p>12 "Account Name." Do you see that?</p> <p>13 A Yes.</p> <p>14 Q What's the difference between an</p> <p>15 opportunity name and an account name?</p> <p>16 A The account name is the customer's name,</p> <p>17 as we track it in our customer relationship</p> <p>18 management system. The opportunity name is tied to</p> <p>19 a specific business opportunity, deal, so to speak,</p> <p>20 with that customer. It typically involves product</p> <p>21 names in many cases.</p> <p>22 Q So just looking at -- well, let's use</p>	<p>236</p> <p>1 that was specifically for Lawson customers.</p> <p>2 Q And again, this would be in quarter 3 and</p> <p>3 quarter 4 of fiscal year 2009?</p> <p>4 A That's the general time frame for the</p> <p>5 program. I can't speak to when this pipeline</p> <p>6 report was generated.</p> <p>7 Q The next column says "Amount," then</p> <p>8 underneath it says "(converted)."</p> <p>9 A Yes.</p> <p>10 Q What's being depicted there?</p> <p>11 A I can't say for sure.</p> <p>12 Q Is that the potential value of selling</p> <p>13 those additional software solutions to the company?</p> <p>14 A Based on the header, I don't recognize</p> <p>15 that terminology. I can't say for sure.</p> <p>16 Q Is there anywhere in this document where</p> <p>17 it indicates whether or not this opportunity was</p> <p>18 realized?</p> <p>19 A Yes.</p> <p>20 Q Where is that, sir?</p> <p>21 A Well, I should actually clarify that by</p> <p>22 saying there's a location where you can see the</p>

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<p>237</p> <p>1 status of the opportunity. And that is in the</p> <p>2 "Stage" column.</p> <p>3 Q And there are numbers between 1 and 4, it</p> <p>4 appears, on this first page.</p> <p>5 A Correct.</p> <p>6 Q Okay.</p> <p>7 A And that is an indication of at what</p> <p>8 point it is in the sales process.</p> <p>9 Q With 1 being early in the process and 4</p> <p>10 being very late in the process?</p> <p>11 A In terms of general time frame, yes.</p> <p>12 Progress, yes.</p> <p>13 Q Is there a particular indicator or</p> <p>14 demarcation point that would permit you to move</p> <p>15 from level 1 to level 2, level 3 to level 4,</p> <p>16 correspondingly?</p> <p>17 A Yes. Sales has definitions that they</p> <p>18 follow.</p> <p>19 Q Can you -- like 1 being made the initial</p> <p>20 contact, and 4 being closed the deal?</p> <p>21 A Not those specifically, but there are</p> <p>22 defined criteria.</p>	<p>239</p> <p>1 Q A report similar to this, which would</p> <p>2 identify -- or strike that. Any kind of report</p> <p>3 that says or indicates that the VIP promotion</p> <p>4 actually resulted in a consummated contract for</p> <p>5 these business opportunities.</p> <p>6 A Yes.</p> <p>7 Q And what was that report entitled, if it</p> <p>8 had one?</p> <p>9 A I don't know that there would be a</p> <p>10 specific title. But it would be reports similar to</p> <p>11 the first version at a summary level, as well as a</p> <p>12 more detailed results report, pipeline report.</p> <p>13 Q Okay. At the back end or in the middle</p> <p>14 part of this report is a number of -- it appears to</p> <p>15 be names of businesses. Do you know what that is?</p> <p>16 A I do not.</p> <p>17 Q Do you recognize any of these as existing</p> <p>18 customers of Lawson for their software solutions?</p> <p>19 A Yes.</p> <p>20 Q Does it appear that the majority are</p> <p>21 Lawson customers?</p> <p>22 A I can't say the majority. But certainly</p>
<p>238</p> <p>1 Q As you sit here today, can you give me</p> <p>2 your best memory as to, you know, what the</p> <p>3 signposts are along the road from 1 to 4?</p> <p>4 A The range is actually from 1 to 7. So 1</p> <p>5 would be what we call a sales accepted lead. So</p> <p>6 that typically means it's a lead that came from</p> <p>7 marketing or that sales created on its own. And</p> <p>8 it's basically the initial stage, where sales takes</p> <p>9 it over, all the way through to 7, which is a</p> <p>10 closed deal that we won.</p> <p>11 Q So Gannett on this first page had reached</p> <p>12 stage 3 of the process?</p> <p>13 A That is -- that's correct.</p> <p>14 Q Can you help me out if there were any</p> <p>15 stage 7s? I don't see one through the first four</p> <p>16 pages.</p> <p>17 A I don't see any.</p> <p>18 Q Was there a final generated with respect</p> <p>19 to this VIP program with respect to S3 as to the</p> <p>20 existing customers of Lawson?</p> <p>21 A By "report," what do you mean</p> <p>22 specifically?</p>	<p>240</p> <p>1 there are many names on here that I recognize as</p> <p>2 Lawson customers.</p> <p>3 Q There's then another two-page part of</p> <p>4 this report that starts out with stage, sales rep,</p> <p>5 number of opportunities, and value in U.S. dollars.</p> <p>6 Do you see that?</p> <p>7 A Is that this?</p> <p>8 Q It looks like that.</p> <p>9 A Okay.</p> <p>10 Q They all have the same number, so it's</p> <p>11 hard for me to -- it says "Stage" at the left hand</p> <p>12 corner, then "6 - Closed/Won."</p> <p>13 A Okay, I can see it.</p> <p>14 Q Can you tell me what's intended to be</p> <p>15 depicted here?</p> <p>16 A I can't say for sure.</p> <p>17 Q But there is a number of Lawson sales</p> <p>18 representatives, correct?</p> <p>19 A Yes.</p> <p>20 Q It looks like there are a number of</p> <p>21 opportunities that correspond to each name of the</p> <p>22 sales rep; is that right?</p>

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<p style="text-align: right;">241</p> <p>1 A That's correct.</p> <p>2 Q And the value in U.S. dollars, is that of</p> <p>3 the opportunity, or is that of a closed or won</p> <p>4 deal?</p> <p>5 A That's a good example of one. I can't</p> <p>6 say for sure, or I can't say this is tied to VIP.</p> <p>7 There's no header that would indicate it.</p> <p>8 Q Finally there's a last page that appears</p> <p>9 to be a chart, it only has two lines on it. It has</p> <p>10 an opportunity name and an account name. Do you</p> <p>11 know why this page stands alone here?</p> <p>12 A I don't. It looks very similar to the</p> <p>13 previous pages we looked at.</p> <p>14 Q I believe we have come to the final</p> <p>15 document.</p> <p>16 (Frank Exhibit Number 38 was marked for</p> <p>17 identification and attached to the deposition</p> <p>18 transcript.)</p> <p>19 BY MR. ROBERTSON:</p> <p>20 Q Although I will take an opportunity to</p> <p>21 have a short recess to make sure that's the case</p> <p>22 and see if we have any final follow-up. This is a</p>	<p style="text-align: right;">243</p> <p>1 updates made from quarter to quarter.</p> <p>2 Q What's the purpose of this document?</p> <p>3 A It's essentially a marketing plan.</p> <p>4 Q And is it directed to both the S3 and M3</p> <p>5 products?</p> <p>6 A No.</p> <p>7 Q Since it's only the public sector, it's</p> <p>8 only directed to the S3 product?</p> <p>9 A Exactly. Yes.</p> <p>10 Q Do you know if there is a more recent</p> <p>11 version of this document that's been prepared for</p> <p>12 fiscal year 2010?</p> <p>13 A Yes.</p> <p>14 Q And has it been prepared?</p> <p>15 A It has been prepared, yes.</p> <p>16 MR. ROBERTSON: Why don't we take a short</p> <p>17 break and I'll review with my colleague and see if</p> <p>18 we're done.</p> <p>19 MR. SCHULTZ: Okay. Thank you.</p> <p>20 THE VIDEOGRAPHER: Going off the record.</p> <p>21 The time is 3:40 p.m.</p> <p>22 (Recess.)</p>
<p style="text-align: right;">242</p> <p>1 document that's been marked as Exhibit 38. It is</p> <p>2 entitled "Quarterly Rolling Focus Market Plan:</p> <p>3 Public Sector - Americas, FY09." It is written by</p> <p>4 Ken Munson, marketing director, and Kristin</p> <p>5 Paulson, marketing communications manager. It</p> <p>6 appears to have a date of July 7, 2008. It's</p> <p>7 version 5.0, bearing LE 00160078 through 132.</p> <p>8 Take a moment to peruse that, let me know</p> <p>9 when you're done.</p> <p>10 A Okay.</p> <p>11 Q Is this a document generated by the</p> <p>12 marketing department?</p> <p>13 A Yes.</p> <p>14 Q Does Mr. Munson and Ms. Paulson work for</p> <p>15 you?</p> <p>16 A Ken Munson did at the time. He's no</p> <p>17 longer with the company. But Kris Paulson, yes.</p> <p>18 Q And is this a document that's typically</p> <p>19 generated on a quarterly basis by the marketing</p> <p>20 department?</p> <p>21 A It's called a quarterly document. But</p> <p>22 it's really developed annually, and then minor</p>	<p style="text-align: right;">244</p> <p>1 THE VIDEOGRAPHER: We're now back on the</p> <p>2 record. The time is 3:44 p.m.</p> <p>3 MR. ROBERTSON: Thank you, Mr. Frank,</p> <p>4 that's all the questions I have.</p> <p>5 MR. SCHULTZ: I do have a couple of</p> <p>6 questions for Mr. Frank.</p> <p>7 EXAMINATION BY COUNSEL FOR DEFENDANT</p> <p>8 BY MR. SCHULTZ:</p> <p>9 Q Mr. Frank, could you describe again what</p> <p>10 your job position is at Lawson?</p> <p>11 A My title is vice president of marketing.</p> <p>12 Q And what is your job duties as vice</p> <p>13 president of marketing?</p> <p>14 A My primary focus is on the Americas, so I</p> <p>15 have oversight, overall responsibility for Lawson's</p> <p>16 marketing activities in the Americas with primary</p> <p>17 focus being on North America.</p> <p>18 Q And in any of those job responsibilities,</p> <p>19 do those involve duties and responsibilities</p> <p>20 specifically to Lawson's Procurement software?</p> <p>21 A Yes.</p> <p>22 Q In your various job duties at Lawson,</p>

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<p>245</p> <p>1 have you had an occasion to talk with customers?</p> <p>2 A Yes.</p> <p>3 Q Have customers ever brought up to you</p> <p>4 anything specific about Lawson's procurement</p> <p>5 systems?</p> <p>6 A To the best of my recollection, I've had</p> <p>7 situations where they've commented on our matching</p> <p>8 functionality, but generally been very</p> <p>9 complimentary.</p> <p>10 Q Earlier today you talked about the</p> <p>11 revenues and the comparison of revenues on the M3</p> <p>12 and S3 as compared to any of the other products</p> <p>13 that Lawson sells. Is the Procurement just a part</p> <p>14 of the M3 and S3?</p> <p>15 A There is a procurement product that is a</p> <p>16 part of the S3 product line, and there's a</p> <p>17 procurement product that is part of the M3 product</p> <p>18 line.</p> <p>19 Q So there are other products that are a</p> <p>20 part of the M3 and S3 product lines?</p> <p>21 A Yes, absolutely.</p> <p>22 Q Have customers ever talked to you -- who</p>	<p>247</p> <p>1 customers about Lawson's procurement systems. And</p> <p>2 you mentioned the matching functionality; do you</p> <p>3 recall that?</p> <p>4 A Yes. I believe the question was have</p> <p>5 customers spoken to me.</p> <p>6 Q Okay. One of the specific things you</p> <p>7 identified was the matching functionality, I</p> <p>8 thought I understood you to say.</p> <p>9 A That's correct.</p> <p>10 Q What do you mean by "the matching</p> <p>11 functionality"?</p> <p>12 A Again, to the best of my recollection,</p> <p>13 this would be several years ago, we made some</p> <p>14 changes to our matching functionality, and in</p> <p>15 particular in the healthcare industry. I don't</p> <p>16 think our customers really understood the changes</p> <p>17 and the benefits that they would receive. And</p> <p>18 there were some negative feedback related to</p> <p>19 Lawson's matching functionality at that time.</p> <p>20 Q Okay. I understood there to be some</p> <p>21 potential negative feedback. But what I want to</p> <p>22 understand is what is the matching functionality,</p>
<p>246</p> <p>1 have talked to, you ever mentioned ePlus?</p> <p>2 A No.</p> <p>3 Q Have customers who have talked to you</p> <p>4 ever mentioned ePlus's patent?</p> <p>5 A No.</p> <p>6 Q Or any of the patents that ePlus has?</p> <p>7 A No.</p> <p>8 Q Have the customers that you've talked to</p> <p>9 ever mentioned any other company's procurement</p> <p>10 software?</p> <p>11 A Not to the best of my recollection.</p> <p>12 Q Have you heard of ePlus's patents before</p> <p>13 you heard about this lawsuit?</p> <p>14 A No.</p> <p>15 MR. SCHULTZ: I have nothing further.</p> <p>16 Thank you, Mr. Frank.</p> <p>17 THE WITNESS: You're welcome.</p> <p>18 MR. ROBERTSON: Just a couple of</p> <p>19 questions in response to Mr. Schultz's questions.</p> <p>20 FURTHER EXAMINATION BY COUNSEL FOR PLAINTIFF</p> <p>21 BY MR. ROBERTSON:</p> <p>22 Q He asked you about had you spoken to</p>	<p>248</p> <p>1 what functionality does the matching -- what's</p> <p>2 being matched?</p> <p>3 A That really gets beyond my level of</p> <p>4 knowledge. The particular scenario was in a</p> <p>5 meeting we had related to CUE, which is our</p> <p>6 conference and user exchange, where we had a group</p> <p>7 of customers together talking at a very high level.</p> <p>8 It was brought up to my attention. So I passed it</p> <p>9 along to the product management team.</p> <p>10 Q Was it matching, for example, one</p> <p>11 vendor's good to another vendor's good, to make</p> <p>12 comparisons between the two?</p> <p>13 A I don't know -- I don't believe so. I</p> <p>14 believe matching -- again, this is not my area of</p> <p>15 expertise, so it goes beyond my detailed knowledge.</p> <p>16 But it has to do with matching purchase orders to</p> <p>17 invoices.</p> <p>18 Q When I was asking about the revenues</p> <p>19 associated with S3 and M3 and how they compared to</p> <p>20 the other products being offered by Lawson, did you</p> <p>21 understand my question to be referring only to</p> <p>22 procurement functionality that's available with S3</p>

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<p>249</p> <p>1 or M3?</p> <p>2 A I was answering it from the standpoint of</p> <p>3 overall M3 and S3 revenue as a percentage of</p> <p>4 overall revenue.</p> <p>5 Q That's how I was intending you to</p> <p>6 understand the question. But I also understood you</p> <p>7 to indicate that if we wanted to, we could</p> <p>8 determine the revenues associated with a particular</p> <p>9 module being offered as part of the S3 or M3</p> <p>10 offering; is that accurate?</p> <p>11 A Is my interpretation of that accurate, or</p> <p>12 was my --</p> <p>13 Q Is that possible? If I wanted to look at</p> <p>14 a particular customer who had an S3 application</p> <p>15 that included several of the modules we looked at,</p> <p>16 like Finance, Human Resource, and Procurement, and</p> <p>17 I wanted to see how much the Procurement solution,</p> <p>18 what pricing was associated with that Procurement</p> <p>19 solution as part of the overall contract with that</p> <p>20 customer, could I do that?</p> <p>21 A I don't know the answer to that.</p> <p>22 Q Because I thought you had indicated that</p>	<p>251</p> <p>1 finance.</p> <p>2 Q You in your role as the vice president of</p> <p>3 marketing don't go out and actually pitch specific</p> <p>4 products to customers, isn't that right?</p> <p>5 A That's correct.</p> <p>6 Q The front line people who do that are the</p> <p>7 sales force, correct?</p> <p>8 A Correct.</p> <p>9 Q They would be the persons most likely to</p> <p>10 know whether or not they competed directly against</p> <p>11 ePlus for a particular customer, isn't that fair to</p> <p>12 say?</p> <p>13 A Yes.</p> <p>14 Q Certainly more likely than yourself?</p> <p>15 A Correct.</p> <p>16 Q Since this lawsuit was filed, have you</p> <p>17 had an opportunity to look at any of the ePlus</p> <p>18 patents?</p> <p>19 A No.</p> <p>20 MR. ROBERTSON: That's all I have.</p> <p>21 MR. SCHULTZ: Nothing further.</p> <p>22 MR. ROBERTSON: Thank you very much,</p>
<p>250</p> <p>1 that was possible before. So I'm glad we clarified</p> <p>2 that.</p> <p>3 A Well, I believe the question was could</p> <p>4 you run a query to generate that information. And</p> <p>5 I think my answer was no.</p> <p>6 Q We looked at one example of an RFP. It</p> <p>7 was a healthcare provider. Do you recall that?</p> <p>8 A Yes, I do.</p> <p>9 Q And it was getting an S3 application</p> <p>10 which included Procurement; do you recall that?</p> <p>11 A I do.</p> <p>12 Q Do you know whether or not internally</p> <p>13 Lawson does a cost analysis to determine what</p> <p>14 revenue should be attributed to one software module</p> <p>15 as opposed to the other software modules that are</p> <p>16 being offered as a suite of solutions in that S3</p> <p>17 product?</p> <p>18 A I don't know what specific assessments or</p> <p>19 analysis is done.</p> <p>20 Q Do you know which division would likely</p> <p>21 have that information?</p> <p>22 A Most likely product management and/or</p>	<p>252</p> <p>1 Mr. Frank.</p> <p>2 THE WITNESS: Thank you.</p> <p>3 THE VIDEOGRAPHER: This marks the end of</p> <p>4 tape number 3 in the deposition of Mr. Frank. This</p> <p>5 also marks the end of the deposition. We're going</p> <p>6 off the record. The time is 3:52 p.m.</p> <p>7 (Signature having not been waived, the</p> <p>8 deposition of JEFF FRANK was concluded at</p> <p>9 3:52 p.m.)</p> <p>10 * * *</p> <p>11 ACKNOWLEDGEMENT OF DEPONENT</p> <p>12 I, JEFF FRANK, do hereby acknowledge that</p> <p>13 I have read and examined the foregoing testimony,</p> <p>14 and the same is a true, correct and complete</p> <p>15 transcription of the testimony given by me, and any</p> <p>16 corrections appear on the attached Errata sheet</p> <p>17 signed by me.</p> <p>18</p> <p>19 _____</p> <p>20 (DATE) (SIGNATURE)</p> <p>21</p> <p>22</p>

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1 CERTIFICATE OF SHORTHAND REPORTER-NOTARY PUBLIC

2 I, Lee Bursten, the officer before whom

3 the foregoing deposition was taken, do hereby

4 certify that the foregoing transcript is a true and

5 correct record of the testimony given; that said

6 testimony was taken by me stenographically and

7 thereafter reduced to typewriting under my

8 direction; and that I am neither counsel for,

9 related to, nor employed by any of the parties to

10 this case and have no interest, financial or

11 otherwise, in its outcome.

12 IN WITNESS WHEREOF, I have hereunto set

13 my hand and affixed my notarial seal this 13th day

14 of October, 2009.

15 My commission expires: June 30, 2014.

16

17

18

19 _____

20 LEE BURSTEN

21 NOTARY PUBLIC IN AND FOR

22 THE DISTRICT OF COLUMBIA

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1 ERRATA SHEET

2 IN RE: ePLUS INC. v. LAWSON SOFTWARE, INC.

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CERTIFICATE OF SERVICE

I hereby certify that on the 11th day of August, 2010, I will electronically file the foregoing

**PLAINTIFF ePLUS INC'S OBJECTIONS TO DEFENDANT'S COUNTER
DEPOSITION DESIGNATIONS, COUNTER-COUNTER DESIGNATIONS AND
REVISED SUMMARY OF THE DEPOSITION OF JEFF FRANK**

with the Clerk of Court using the CM/ECF system which will then send a notification of such filing (NEF) via email to the following:

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